



Missouri Development Finance Board
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Prepared By The Accounting Department

Krystal Davis, CPA, CGMA • Controller

Ryan Vermette • Compliance Officer

Missouri Development Finance Board

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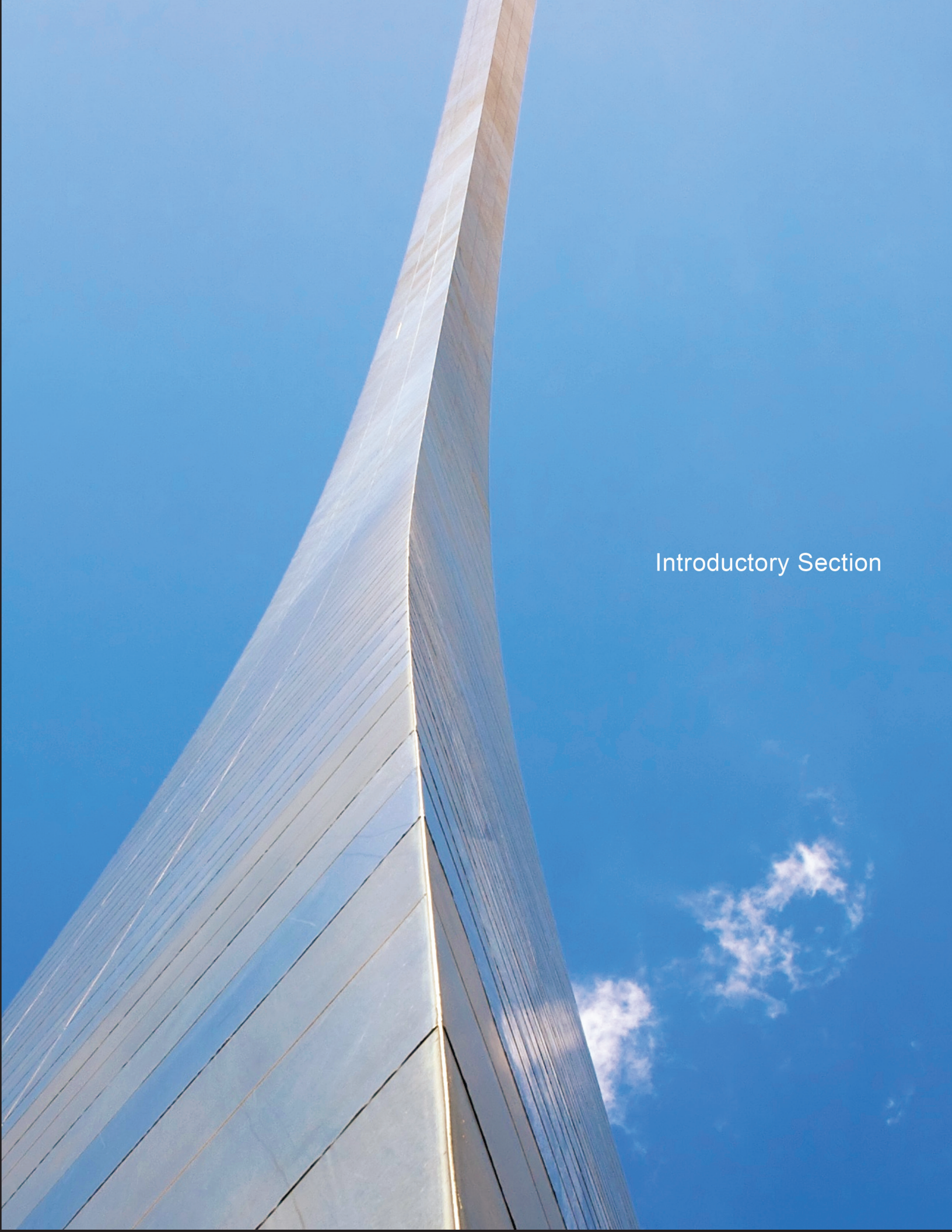
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Introductory Section

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Principal Officials

BOARD MEMBERS



Ms. Marie J. Carmichael, Chair
Governor-Appointed Member
Springfield

Committees

Executive, Personnel, Finance, Audit
SSGPPC Board Member

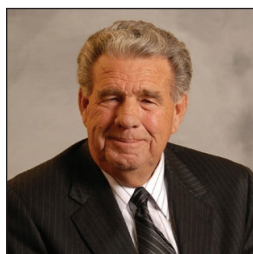


Mr. Reuben A. Shelton
Vice Chairman

Governor-Appointed Member
St. Louis

Committees

Executive, Personnel, Finance



Mr. Larry D. Neff, Secretary
Governor-Appointed Member
Neosho

Committees

Executive, Personnel, Audit



Mr. John E. Mehner, Treasurer

Governor-Appointed Member
Cape Girardeau

Committees

Executive, Personnel, Finance



Mr. Kelley M. Martin
Governor-Appointed Member
Kansas City

Committees

Finance
SSGPPC Board Member



Mr. Patrick J. Lamping
Governor-Appointed Member
Barnhart

Committees

Audit
SSGPPC Board Member



Mr. Bradley G. Gregory
Governor-Appointed Member
Bolivar

Committees

Audit



Mr. Matthew L. Dameron
Governor-Appointed Member
Kansas City

Committees

Audit



The Honorable Peter D. Kinder
Lieutenant Governor
Ex-Officio Member



Mr. Mike Downing,
Director, Department of
Economic Development
Ex-Officio Member



Mr. Richard Fordyce, Director
Department of Agriculture
Ex-Officio Member



Ms. Sara Pauley, Director
Department of Natural Resources
Ex-Officio Member

Board membership consists of eight volunteer members appointed by the Governor and confirmed by the Senate, and four ex-officio members.

Organizational Chart

STAFF



Robert V. Miserez
Executive Director

Accounting Department



Krystal Davis, CPA, CGMA
Controller



Ryan Vermette
Compliance Officer

Support Staff



Valerie Haller
Executive Assistant



Erin Carel
Administrative Assistant

Program Staff



Kathleen Barney
Senior Portfolio Manager



Kimberly Martin
*Community Development
Program Manager*



Alice Bernard-Jones
International Business Manager



Board Counsel
Mr. David Queen
Gilmore & Bell, P.C.



**Independent Certified
Public Accountants**
Heidi A. Chick, CPA
Williams-Keepers LLC

Letter of Transmittal

CHAIR:

MARIE J. CARMICHAEL

MEMBERS:

 REUBEN A. SHELTON
 LARRY D. NEFF
 JOHN E. MEHNER
 KELLEY M. MARTIN
 PATRICK J. LAMPING
 BRADLEY G. GREGORY
 MATTHEW L. DAMERON

EXECUTIVE DIRECTOR:

ROBERT V. MISEREZ


EX-OFFICIO MEMBERS:

 PETER D. KINDER
 LIEUTENANT GOVERNOR

 MIKE DOWNING
 ACTING DIRECTOR,
 ECONOMIC DEVELOPMENT

 RICHARD FORDYCE
 DIRECTOR, AGRICULTURE

 SARA PAULEY
 DIRECTOR,
 NATURAL RESOURCES

MISSOURI DEVELOPMENT FINANCE BOARD

September 5, 2013

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri for the fiscal year ended June 30, 2014. The Accounting Department prepared this report, while responsibility for both the accuracy of the presented data and the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that was established for this purpose, rests with the Board. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Williams-Keepers LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Missouri Development Finance Board’s financial statements for the year ended June 30, 2014. The Independent Auditors’ Report is located at the front of the Financial Section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditors’ Report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read with it as well.

Profile of the Government

The Missouri Development Finance Board is a “body corporate and politic” created by the State of Missouri. Its statutory citation is the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850. The Board’s primary function is to structure and participate in the financing of Missouri business and public infrastructure. The Board is classified as a proprietary fund and is a discretely presented component unit within the *State of Missouri’s Comprehensive Annual Financial Report*.

The original development board was created by Missouri statute in 1982 as the Missouri Industrial Development Board. The current legislative authorization dates to 1993 and was the fourth major statutory change since 1982. Each of these changes resulted in increased authority and responsibility for the Board in economic development and infrastructure financing.

The Board provides a diverse array of financing programs to carry out its mission of facilitating economic and infrastructure development projects. The Board administers 12 different programs and has 2 component units that correspond to its mission to benefit the citizens of the State of Missouri. The Board’s programs include:

1. Revenue Bonds for Private Commercial and Nonprofit Projects

Pursuant to RSMo Section 100.275, the Board is authorized to issue revenue bonds for purposes permitted under RSMo Section 100.255, including the purchase, construction and improvement of facilities used for manufacturing and other commercial purposes, and for recreational and cultural facilities.

2. Revenue Bonds for Public Infrastructure Projects

The Board also is authorized to issue its revenue bonds to finance essential infrastructure improvements and related work for local governments, State agencies and qualified public/private partnerships.

3. Tax Credit for Contribution Program

RSMo Section 100.286.6 authorized the Tax Credit for Contribution Program. Through this program, the Board is authorized to grant tax credits equal to fifty percent of contributions made to the Board. Contributions are used to pay the costs of projects for Missouri governmental, quasi-governmental and nonprofit entities which have been approved by the Board. Per statute, during any calendar year, the Board can authorize no greater than \$10 million. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Directors of the Department of Economic Development and Revenue and the Commissioner of Administration, but in no event shall authorizations exceed \$25 million in a calendar year.

4. Tax Credit Bond Enhancement Program

The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of public entities for certain bonds. This program uses the Board's bond tax credits as collateral.

5. Direct Loan Program

The Direct Loan Program provides direct loans at reasonable interest rates.

6. BUILD Missouri (Business Use Incentives for Large-Scale Development) Program

The BUILD Missouri Program authorized under RSMo Sections 100.700 to 100.850 is an incentive tool that allows the Department of Economic Development and the Board to finance a portion of the costs of qualifying capital investments for eligible businesses that seek to locate or expand in Missouri and create a significant number of new jobs. The incentives offered by BUILD are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive.

7. Missouri Infrastructure Development Loan Program (MIDOC)

The MIDOC Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. Water and sewer projects addressing public health and safety receive priority. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects. Interest rates are 3% with a maximum loan amount of \$150,000; however, if there is a critical need and with Board approval, this maximum loan amount may be exceeded.

8. Loan Guarantees

The Board is empowered under RSMo Sections 100.250 to 100.297, as amended, to guarantee loans to credit-worthy businesses which cannot otherwise obtain credit at reasonable rates and terms in order to create or retain full-time employment.

9. City/State Partners Program

The City/State Partners Program is a corporate agreement between the Ex-Im Bank and state and local entities around the country to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. The Board markets programs offered by the Ex-Im Bank and packages applications for these programs. The Board's relationship with the Ex-Im Bank provides Missouri companies a direct line to export financing. In addition, the Board's relationship with the U.S. Small Business Administration (SBA) and the State Treasurer's Office provides loan programs to support the production of goods and services for export.

10. Missouri Downtown Economic Stimulus Act (MODESA)

The MODESA Program is an incentive tool that allows the Department of Economic Development and the Board to facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure. A portion of the new State and local taxes created by a project can be diverted to fund eligible public infrastructure and related costs for a period of up to 25 years. The local match must be, at a minimum, 50% of the amount of the new local sales tax (and earnings tax in St. Louis and Kansas City) and 100% of the amount of the new real property tax created by the project each year; or a comparable amount of local funds from the city/county or a non-profit organization. No further approvals are allowed under this program after August 28, 2013.

11. Downtown Revitalization and Economic Assistance for Missouri (DREAM)

The DREAM Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The DREAM Initiative is created through a partnership between the Missouri Development Finance Board, the Missouri Department of Economic Development and the Missouri Housing Development Commission. No further applications are being accepted.

12. Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order (E.O.) 09-03. This E.O. directed the Department of Economic Development to work with the Board "to create a pool of funds designated for low-interest direct loans for small businesses." In response, the Board established a \$2 million revolving loan fund. Loans are for \$25,000 or less, bear interest at 3%, and can be used for capital and operational needs.

To enhance program impact, in December 2010 the Board voted to increase the maximum loan amount to \$50,000 and authorized an increase in the maximum number of employees from 5 to 15. In June 2011, the Small Business Loan Program was expanded to provide financial assistance and access to capital for businesses located in Presidentially-declared disaster areas within the State. Businesses impacted by the flooding or tornados of 2011 are first required to apply and be denied disaster assistance by the U.S. Small Business Administration. Once approved by the Board, these loans are permitted a choice of a 3% interest rate with a 2-year principal and interest deferral or 1% interest rate for the 10-year term of the loan. These businesses are not required to meet the number of employees requirement defined above.

13. Missouri Community Investment Corporation (MCIC)

The MCIC is a discretely presented component unit of MDFB. The Board members of MDFB as well as five additional members, serve as the Board for the MCIC. The MCIC is a non-profit organization established for the primary purpose to serve as a qualified community development entity (CDE) in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. In October 2007, MCIC was notified that it would not receive an allocation of tax credits. The MCIC will be inactive until such an allocation is received.

14. Seventh Street Garage Public Parking Corporation (SSGPPC)

The SSGPPC is a blended component unit of MDFB and is reported within the Parking Garage Fund. SSGPPC is a legally separate corporation and meets the requirement for a charitable corporation under Federal income tax section 501(c)(3). Three Board members of MDFB serve as members for the SSGPPC. The SSGPPC was established primarily to serve as a qualified active low-income business (QALICB) located in a low-income census tract as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC is responsible for the maintenance and operations of a garage at 601 Locust Street in St. Louis, Missouri, known as the Seventh Street Garage.

Economic Conditions

Per the Missouri Department of Economic Development's 2014 Missouri Economic Report, "Missouri's Gross Domestic Product (GDP) totaled over \$276 billion in 2013 according to advance estimates, an increase in real dollars of 0.8% from 2012. Real GDP figures for both Missouri and the U.S. are now higher than pre-recession levels. Currently, the unemployment rate in Missouri is 6.6% compared to the 6.3% national unemployment rate. A year earlier Missouri's unemployment rate was at 6.7%. Missouri has added 42,000 jobs from May 2013 to May 2014, representing a 1.5% increase from the year before in seasonally-adjusted figures. The top three industries with the most employment growth in the previous 12 months ending in May, were leisure and hospitality, professional and business services, and manufacturing. The largest industry subsector to grow by job numbers and percent was administrative and support services, with 9,700 jobs and 6.5% respectively. This subsector, which includes employment services, is often an indicator of broader economic and job growth trends to come. Fourth quarter 2013 data showed that there was continued growth of real personal income in Missouri and the U.S., from the same quarter last year. U.S. personal income grew by 1.32% and Missouri personal income grew by 1.15% from the prior year. Industrial production has grown by more than 4% in the previous 12 months ending in May. This is nearly double from the same period the previous year indicating industrial production is increasing at a faster rate. Missouri has added 6,500 manufacturing jobs in the previous 12 months from May. Most of the increase in employment occurred from January 2014 to May 2014, with 6,100 jobs created. Missouri's Purchasing Managers Index (PMI) has been above the expansionary level for 17 consecutive months starting in January 2013. The state's PMI was 57.7 for May 2014, the highest the index has been since June 2012."

During the fiscal year ended June 30, 2014, the Board contributed to the growth in the Missouri economy by approving BUILD incentives of \$13.25 million to four companies to leverage investment in Missouri of approximately \$259 million. In addition, the Board approved nine Tax Credit for Contribution projects, two of which were large scale projects approved with the authority to exceed the cap.

In August 2013, the Board approved \$10,907,500 in credits to support the redevelopment of the old Bannister Mall site located at Bannister Road and I-435 in Kansas City, Missouri. Over the years, the mall site had deteriorated and most businesses ceased operations. With the help of the tax credits, the mall site will be redeveloped in four segments with large scale office space, retail, smaller mainstreet style stores as well as a boutique hotel. The biggest win for the redevelopment is the expansion of Cerner Corporation, a global supplier of health care information, technology solutions, services, devices and hardware.

In June 2014, the Board approved an application from the City of St. Louis (LCRA) for tax credits not to exceed \$15 million to aid the CityArchRiver 2015 Foundation in their mission to ensure the Gateway Arch, its grounds, neighboring public space and attractions will be vital, welcoming, and well-supported for decades to come. The project includes a substantial enlargement of the Museum of Westward Expansion, a new pedestrian walking park extending over I-70 and other city street improvements to the Circulation Loop improving internal accessibility

within the Arch grounds and to the downtown, development of a Lewis and Clark Explorers Garden for Children, drainage improvements to reduce the occurrence of flooding, and numerous safety and landscaping improvements throughout the area. These improvements will result in substantial additional spaces for events, public education and performance venues throughout the park. The goal of the Foundation is to have capital improvements to the area substantially complete by October 2015 in order to celebrate the 50-year anniversary of the Gateway Arch.

The Board also participated in the refinancing of 3 public activities issuances for the City of Independence totaling \$65.1 million and one refinancing for the City of Lexington totaling \$3.509 million.

Long-Term Financial Planning

In July 2013, the Board approved the operating budget for fiscal year 2014, and within the budget granted preliminary approval of the early redemption of a portion of the debt each year. As a result, the Board redeemed \$1.7 million of Series 2000 C Debt on the St. Louis Convention Center Hotel Garage. The Board anticipates a similar early redemption of debt during fiscal year 2015.

The Board continues to evaluate the purchase option on the Old Post Office (OPO) in St. Louis. The Board acquired title to the vacant OPO in 2004 from the General Services Administration of the United States at no cost. The Board then executed a 99-year lease of the OPO with St. Louis Custom House and Post Office Building Associates LP to rehabilitate the property. Per the master lease agreement, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of fair market value or the development debt outstanding. Only the Board or the State of Missouri is permitted to own the property. If the Board moves forward with the purchase in fiscal year 2015, there will be a substantive impact on the Board's financials.

Relevant Financial Policies

The Board accounts for its activities in enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities of a governmental entity that are similar to activities found in the private sector. Budgets are not required for proprietary funds in accordance with generally accepted accounting principles. Likewise, since MDFB is a legally separate entity that does not receive State appropriations, it is not required to adhere to an appropriations budget like departments within the State of Missouri. During 2006, the Board voted to establish an operating budget for the Industrial Development and Reserve Fund for fiscal year 2007 and future years as a guide to aid in the Board's planning efforts. In March 2008, in order to improve its budget efforts, the operating budget was expanded to contain a three-year projection. For fiscal year 2013, to further enhance the budget projections, the parking garage operations were incorporated into this budget.

In addition, the Board has purchasing procedures in place to handle budgeted and unbudgeted expenses. As per Board policy, non-budgeted expenses between \$2,500 and \$5,000 must be approved by both the Executive Director and the Controller; non-budgeted expenses greater than \$5,000 and less than \$10,000 must be approved by the Executive Committee; and non-budgeted expenses in excess of \$10,000 must be approved by the full Board.

In January 2013, the Board amended its Investment Policy in response to a request from US Bank to collateralize MDFB deposits with irrevocable standby Letters of Credit issued by the Federal Home Loan Bank. Previously, the Board's investments at US Bank and other financial institutions were collateralized by federal agency discount notes. The ability to use such collateral allowed US Bank and other institutions holding collateral on behalf of the Board to better meet in-house liquidity thresholds. Such collateral was deemed adequate by Board legal counsel, as well as the Missouri State Treasurer's Investment Policy for state and local government investments.

The Board is a public governmental body, as described in RSMo, Section 610.010(4), and therefore is subject to the Sunshine Law. In February 2005, the Board adopted an initial Sunshine Policy. In June 2014, the Board amended its policy to be more comprehensive and detailed. A copy of the revised policy can be requested by contacting MDFB at www.mdfb.org.

Major Initiatives

During 2014, 800 Washington, LLC acquired ownership of the Renaissance Grand Hotel in downtown St. Louis. The hotel had some financial hardship and was foreclosed on in 2009. The new owner intends to invest \$25 million in renovations to the Hotel. MDFB has worked closely with the Hotel since the Board built the St. Louis Convention Center Hotel Garage to support the parking needs of the Hotel back in 2002. An agreement between MDFB and the new owner was critical to making the sale of the Hotel a reality. In May 2014, the Board executed a license agreement with 800 Washington, LLC (Licensee). The agreement is in effect through June 30, 2054. Under the agreement, 275 undesignated, unreserved parking spaces are allocated by the Operator for daily use by the Hotel guests with the option of an additional 325 spaces given seven days prior notice.

The Governor's FY14 Budget Recommendation requested and the General Assembly appropriated \$2.3 million in general revenue funding to facilitate an increase in export trade by supporting specific opportunities for existing Missouri exporters to expand their sales into new markets. The activities of the Initiative are directed through the International Trade Office of the Department of Economic Development's Division of Business and Community Services. The Export Missouri Initiative is comprised of three key components and various programs:

1. Global Market Access Program (trade event reimbursement program)
2. Increased Domestic and Global Staff Resources
3. Increased Export Promotion Resources

The \$450,000 Global Market Access Program (GMAP) is administered by DED. GMAP helps Missouri small businesses participate in international trade shows, missions, and events to get their products in front of a global audience. The target audience for this program is small businesses, primarily manufacturers, with 500 employees or less and with annual sales of \$25 million or less. DED's focus is to assist these small businesses in gaining access to new markets in order to ensure increased sales opportunities. The program will cost-share a minimum of 40 new-to-market exporters and a minimum of 90 export activities and trade promotion projects.

DED requested that the Board assist the department with this program by providing financial administration of the program. DED maintains responsibility for all program administration of the GMAP program including processing all applications and other forms/documents as necessary. MDFB is responsible for maintaining the funds in a separate account and disbursing the funds to the businesses once DED had completed their review process.

The City of St. Louis partnered with the St. Louis Convention and Visitors Commission ("CVC"), CityArchRiver Foundation, Partnership for Downtown St. Louis and other public and private entities to create a universal wayfinding system and coordinated garage finding and promotion program for visiting parkers. The lead City agency is the Treasurer's Office; however, other City offices and SLDC have been directly involved in supporting this effort.

The initial impetus for this effort was a result of negotiations with the National Park Service (NPS) and General Services Administration (GSA) on the redevelopment and expansion of the Gateway Memorial Arch park grounds and Museum of Westward Expansion. This expansion includes a proposal to substantially increase the size of the Museum and cover the multi-block, below-grade stretch of I-70 that goes through downtown with a green space walkway connecting the Arch to the downtown for pedestrians. Currently I-70 is a significant barrier separating the Arch and its visitors from the downtown.

A critical component to expand the Museum and park grounds was getting the GSA to agree to remove its 1,800-space parking garage on the northeast corner of the Arch grounds. The GSA and NPS have agreed to remove this garage based upon the results of an extensive parking study demonstrating there is sufficient parking in the immediate downtown area to handle visitors to the Arch and Museum, and this parking would be relatively easy to find and access based on implementation of a comprehensive way-finding system. According to NPS records, the Arch is one of the most visited national parks in the country with annual attendance comparable to the Alamo, Mount Rushmore, the Statue of Liberty and Yellowstone National Park. The MDFB owns three garages in the downtown area totaling 2,682 spaces, and has approved participation in the way-finding program.

Awards


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the MDFB for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fourteenth consecutive year that the Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the comprehensive annual financial report could not have been accomplished without the dedicated services of all Board staff. We would like to thank the firm of Williams-Keepers LLC and their staff for their assistance in the preparation of this report; John E. Mehner for serving as Board Treasurer; and the MDFB Audit Committee for their oversight and guidance.

Respectfully submitted,

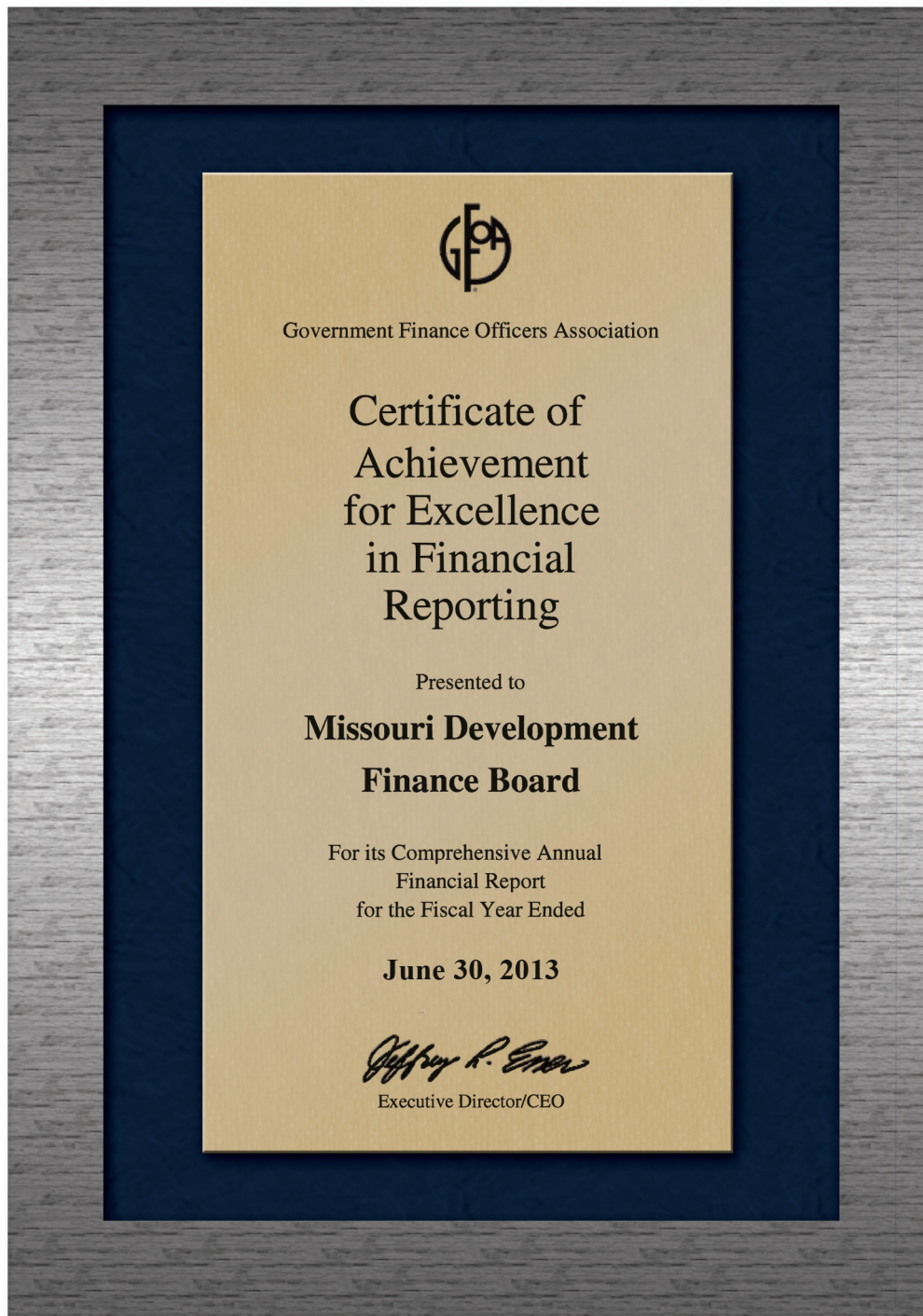


Krystal Davis, CPA, CGMA
Controller



Ryan Vermette
Compliance Officer

GFOA Certificate of Achievement





Financial Section

Missouri Development Finance Board
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Independent Auditors' Report



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OFFICE (573) 442-6171 FAX (573) 777-7800

3220 West Edgewood, Suite E, Jefferson City, MO 65109
OFFICE (573) 635-6196 FAX (573) 644-7240

www.williamskeepers.com

Members of the Missouri Development Finance Board:

We have audited the accompanying financial statements of the business-type activities and each major fund of the Missouri Development Finance Board (the Board), a component unit of the State of Missouri, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

American Institute of Certified Public Accountants
Missouri Society of Certified Public Accountants
PKF North American Network

Superior service. Creative solutions. Exceptional clients.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The introductory section, supplementary information combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information-combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

William Keper LLC

September 5, 2014

Management's Discussion and Analysis

As management of the Missouri Development Finance Board (the Board), we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of our organization for the fiscal year ended June 30, 2014.

Financial Highlights

- During fiscal year 2014, the Board's total net position increased by \$3,518,786. The increase is attributable to favorable parking garage revenues as well as the second consecutive year of strong revenues from the Tax Credit for Contribution Program combined with stable operating expenses and no contributions to others as in previous years.
- During fiscal year 2014, due to higher cash balances on hand for Tax Credit for Contribution Program, the Board increased its purchases of investments. Remaining balances are held in cash, which is invested in money market accounts that utilize overnight repurchase agreements.
- During fiscal year 2014, the Board paid \$180,000 in principal on the bonds that were issued during 2010 to assist with the financing on the Seventh Street Garage. The Board also early redeemed \$1.7 million in debt on the 2000 C St. Louis Convention Center Hotel Garage Debt.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. Typically, government financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

However, because the Board uses only proprietary funds which present financial statement information in the same manner as government-wide financial statements only in more detail, we present two components. The Board's basic financial statements include: 1) fund financial statements and 2) notes to the financial statements. In addition to the basic financial statements, the Board has opted to present combining schedules for the Parking Garage Fund and the Revolving Loan Fund as supplementary information.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other discretely presented component units of the State of Missouri, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds, and fiduciary funds. The Board's funds are considered proprietary funds.

Proprietary funds. Proprietary funds consist of two types of funds: internal service funds and enterprise funds. Of the two types of proprietary funds, the Board maintains one type — enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities. Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Industrial Development and Reserve Fund, the Parking Garage Fund, and the Revolving Loan Fund. All funds are considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements.

Combining schedules. The combining schedules have been included as supplementary information to provide additional information for the Board's Parking Garage Fund and Revolving Loan Fund.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets and deferred outflows of resources exceeded liabilities by \$87,093,145 at the close of fiscal year 2014, by \$83,574,359 at the close of fiscal year 2013, and by \$84,015,105 at the close of fiscal year 2012.

Net Position as of June 30

	2014	2013	2012
Current and other assets	\$ 65,311,694	\$61,476,761	\$ 60,005,148
Restricted assets	43,376,476	17,501,932	9,806,442
Capital assets	69,878,061	71,806,841	73,676,397
Total assets	178,566,231	150,785,534	143,487,987
Deferred outflows of resources	352,741	317,958	353,440
Current liabilities	441,816	496,404	473,220
Noncurrent liabilities	91,384,011	67,032,729	59,353,102
Total liabilities	91,825,827	67,529,133	59,826,322
Net position:			
Net investment in capital assets	17,753,127	17,801,907	19,499,463
Restricted	8,407,066	8,069,284	8,668,115
Unrestricted	60,932,952	57,703,168	55,847,527
Total net position	\$ 87,093,145	\$83,574,359	\$ 84,015,105

Unrestricted net position may be used to meet the Board's ongoing obligations to citizens and creditors. Restricted net position is restricted to specific purposes and may not be used for anything else. Capital assets are used to provide services to the citizens of Missouri and are not spendable.

There was no material change in capital assets during fiscal year 2014 or 2013. The decreases are due to accumulated depreciation.

The increase in restricted assets of \$25,874,544 from 2013 to 2014 is due to increased funds on hand raised by Tax Credit for Contribution Projects. Likewise, the increase in restricted assets of \$7,695,490 from 2012 to 2013 is due to increased funds on hand raised by Tax Credit for Contribution Projects over previous year balances.

The change in total net position for the fiscal year 2014 is due to strong parking garage revenues offset by stable operating expenses and no contributions to others in the current fiscal year. There was no material change in total net position for the fiscal year 2013.

Changes in Net Position for the Years Ended June 30

	2014		2013		2012	
	\$	%	\$	%	\$	%
Operating income	\$4,031,444	114.57%	\$5,295,954	(1201.59)%	\$1,540,907	402.79%
Non-operating revenue (expense)	(512,658)	(14.57)%	(5,736,700)	1301.59%	(1,158,351)	(302.79)%
Change in net position	\$3,518,786	100.00%	\$ (440,746)	100.00%	\$ 382,556	100.00%

From 2013 to 2014 operating income is down \$1,264,510 (24%) from the prior fiscal year due to lower participation fees offset by slightly higher garage revenues of \$601,233 (14%). Decreases in personal services, DREAM expenses, contributions to others as well as lower interest expense on debt outstanding resulted in lower overall total expenses and a favorable change in net position.

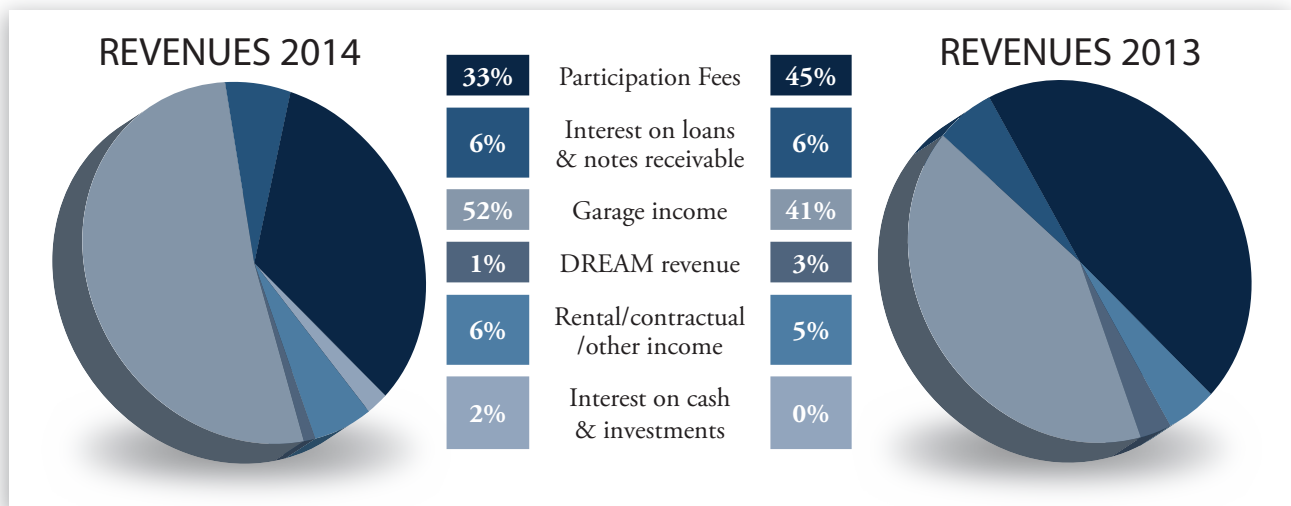
From 2012 to 2013 operating income was up \$3,755,047 (244%) from the prior fiscal year due to participation fees from a one-time project close-out as well as increased parking garage revenues. Decreases in personnel services and professional fees also contributed to the higher than normal operating income. As discussed in 2013, the winding down of the DREAM program also has reduced the expenses of the Board.

Changes in Net Position for the Years Ended June 30:

	2014	2013	2012
Revenues:			
Participation fees	\$ 3,108,998	\$ 4,782,549	\$ 1,631,702
Interest on loans & notes receivables	572,347	570,472	593,558
Rental income	233,159	233,159	233,060
Parking garage revenue	4,973,252	4,372,019	3,829,013
DREAM revenue	68,663	271,426	554,527
Other income	348,651	330,817	425,320
Non-operating revenues:			
Interest on cash & investments	214,537	27,710	68,747
Total revenues	9,519,607	10,588,152	7,335,927
Expenses:			
Personnel services	784,481	806,177	811,731
Professional fees	195,910	155,546	238,806
Depreciation & amortization	1,936,745	1,941,705	1,936,144
Parking garage operating expenses	1,653,820	1,458,828	1,325,879
DREAM expense	419,632	603,238	1,158,332
Other expenses	283,038	298,994	255,381
	5,273,626	5,264,488	5,726,273
Non-operating expenses:			
Bond expense and interest expense	712,795	750,010	1,227,098
Contributions to others	14,400	5,014,400	-
Total expenses	6,000,821	11,028,898	6,953,371
Income (loss)	3,518,786	(440,746)	382,556
Change in net position	3,518,786	(440,746)	382,556
Net position, beginning of year	83,574,359	84,015,105	83,632,549
Net position, end of year	\$87,093,145	\$83,574,359	\$84,015,105

- Participation fees decreased \$1,673,551 (35%) due to lower participation fees across the Board. Participation fees increased \$3,150,847 (193%) in fiscal year 2013. The increase was primarily due to a one-time project close-out.
- Interest on loans receivable for the current fiscal year was fairly consistent with the prior year and only increased \$1,875 due to normal amortization under the effective interest method. Interest on loans and notes receivable decreased by \$23,086 (4%) in fiscal year 2013. The decrease was due to the payoff on the note receivable from the City of Independence during fiscal year 2013.
- Parking garage revenue increased \$601,233 (14%) in fiscal year 2014. The increase is the result of additional leased spaces, as well as the one-time payment received as part of the closing of the license agreement with 800 Washington, LLC to utilize space in the St. Louis Convention Center Hotel Garage. Parking garage revenue increased \$543,006 (14%) in fiscal year 2013 due to scheduled quarterly increases for lease parkers.

- Interest income on cash and investments increased by \$186,827 (674%) for fiscal year 2014. The increase is due to higher balances on hand for the Tax Credit for Contribution Program as well as timely investment purchases with higher than normal yields. Interest income on cash and investments decreased \$41,037 (60%) for the fiscal year 2013. The decrease in 2013 was due to the economic downturn, which drove interest rates down, as well as smaller cash balances on hand. For fiscal years 2014 and 2013, the Board's rate of return on investments was approximately 1.07% and 0.25%, respectively.
- There was one interfund transfer in fiscal year 2014. The Board transferred \$1,550,001 from the Industrial Development and Reserve Fund (IDRF) to the Parking Garage Fund (PGF) to help fund the discretionary redemption of \$1.7 million in debt on the St. Louis Convention Center Hotel Garage. There were no interfund transfers in fiscal year 2013.
- In fiscal year 2014, operating expense had a modest increase of \$9,138 (1%), which is the combination of a decrease in DREAM expenses offset by an increase in garage expenses. In fiscal year 2013, operating expenses decreased \$461,785 (8%). The decrease was primarily attributable to the winding down of the DREAM program and lower professional expenses offset by higher parking garage operating expenses.



Capital Assets

The Board's investment in capital assets for its business type activities as of June 30, 2014 is \$69,878,061, net of depreciation. This is a decrease of \$1,928,780 from fiscal year 2013. The change in the Board's investment in capital assets for both fiscal years 2014 and 2013 was (3%). The decrease in capital assets from 2013 to 2014 and 2012 to 2013 is attributable to the recording of depreciation. There were no major capital asset additions or disposals during fiscal years 2014 and 2013.

Capital Assets (net of depreciation)

	2014	2013	2012
Land	\$ 7,219,739	\$ 7,219,739	\$ 7,219,739
Building	62,546,696	64,437,406	66,329,630
Equipment	99,178	128,230	96,549
Leasehold improvements	2,863	8,530	14,198
Accounting software	9,585	12,936	16,281
Total	\$69,878,061	\$71,806,841	\$73,676,397

Additional information on the Board's capital assets can be found in Note 7 to the financial statements.

Long-Term Debt

For the fiscal year ended 2014, the Board's total long-term debt outstanding was \$52,124,934. During fiscal year 2014, \$1,880,000 in principal was paid. For the fiscal year ended 2013, the Board's total long-term debt outstanding was \$54,004,934. During fiscal year 2013, \$172,000 in principal was paid.

None of this amount comprises debt backed by the full faith and credit of the State of Missouri.

Outstanding Debt

	2014	2013	2012
Outstanding bond debt	\$52,124,934	\$54,004,934	\$54,176,934

Additional information on the Board's long-term debt can be found in Note 10 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Missouri Development Finance Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Missouri Development Finance Board, Controller, P. O. Box 567, 200 Madison Street, Suite 1000, Jefferson City, Missouri 65102.

Missouri Development Finance Board

Statement of Net Position June 30, 2014

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Asset				
<i>Current assets:</i>				
Cash	\$ 9,158,123	\$ 7,989,220	\$ -	\$ 17,147,343
Investments	5,680,705	-	-	5,680,705
Current portion of loans and notes receivable	109,802	26,702	218,313	354,817
Accrued interest on investments	104,495	24,990	6,195	135,680
Accrued interest on loans and notes receivable	10,750	19,912	14,864	45,526
Prepaid expense and other assets	46,105	1,147,362	-	1,193,467
Total current assets	15,109,980	9,208,186	239,372	24,557,538
<i>Noncurrent assets:</i>				
Restricted assets	38,019,028	2,778,600	2,578,848	43,376,476
Derivative instrument - interest rate cap agreement	-	34,259	-	34,259
Long-term portion of loans and notes receivable	9,957,051	28,866,258	1,896,588	40,719,897
<i>Capital assets:</i>				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	20,719	62,637,603	-	62,658,322
Total noncurrent assets	47,996,798	101,536,459	4,475,436	154,008,693
Total assets	63,106,778	110,744,645	4,714,808	178,566,231
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	352,741	-	352,741
Liabilities				
<i>Current liabilities:</i>				
Accounts payable and other accrued liabilities	188,479	15,895	54	204,428
Accrued bond interest payable	-	34,330	-	34,330
Payable from restricted assets	-	14,058	-	14,058
Current portion of long-term debt	-	189,000	-	189,000
Total current liabilities	188,479	253,283	54	441,816
<i>Noncurrent liabilities:</i>				
Long-term debt	-	51,935,934	-	51,935,934
Unearned revenue	-	1,899,009	-	1,899,009
Other accrued liabilities	30,038	-	-	30,038
<i>Payable from restricted assets:</i>				
Tax credit for contribution and other deposits	37,519,030	-	-	37,519,030
Total noncurrent liabilities	37,549,068	53,834,943	-	91,384,011
Total liabilities	37,737,547	54,088,226	54	91,825,827
Net Position				
Net investment in capital assets	20,719	17,732,408	-	17,753,127
<i>Restricted</i>				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for DED - GMAP	427,770	-	-	427,770
Restricted for revolving loan funds	-	-	4,714,754	4,714,754
Restricted for new market tax credit program fees	-	889,542	-	889,542
Unrestricted	24,420,742	36,512,210	-	60,932,952
Total net position	25,369,231	57,009,160	4,714,754	87,093,145
Total liabilities and net position	\$63,106,778	\$111,097,386	\$4,714,808	\$178,918,972

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Net Position June 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Asset				
<i>Current assets:</i>				
Cash	\$14,134,544	\$ 4,992,942	\$ -	\$ 19,127,486
Current portion of loans and notes receivable	109,802	26,436	220,796	357,034
Accrued interest on loans and notes receivable	10,750	19,934	9,515	40,199
Prepaid expense and other assets	59,993	1,154,838	-	1,214,831
Total current assets	14,315,089	6,194,150	230,311	20,739,550
<i>Noncurrent assets:</i>				
Restricted assets	11,855,565	2,900,045	2,746,322	17,501,932
Derivative instrument - interest rate cap agreement	-	69,042	-	69,042
Long-term portion of loans and notes receivable	10,065,147	28,892,960	1,710,062	40,668,169
<i>Capital assets:</i>				
Assets not being depreciated	-	7,219,739	-	7,219,739
Assets being depreciated, net	30,444	64,556,658	-	64,587,102
Total noncurrent assets	21,951,156	103,638,444	4,456,384	130,045,984
Total assets	36,266,245	109,832,594	4,686,695	150,785,534
Deferred Outflows of Resources				
Accumulated decrease in fair value of hedging derivatives	-	317,958	-	317,958
Liabilities				
<i>Current liabilities:</i>				
Accounts payable and other accrued liabilities	224,486	39,737	260	264,483
Accrued bond interest payable	-	34,725	-	34,725
Payable from restricted assets	-	17,196	-	17,196
Current portion of long-term debt	-	180,000	-	180,000
Total current liabilities	224,486	271,658	260	496,404
<i>Noncurrent liabilities:</i>				
Long-term debt	-	53,824,934	-	53,824,934
Unearned revenue	-	1,822,192	-	1,822,192
Other accrued liabilities	30,038	-	-	30,038
<i>Payable from restricted assets:</i>				
Tax credit for contribution and other deposits	11,355,565	-	-	11,355,565
Total noncurrent liabilities	11,385,603	55,647,126	-	67,032,729
Total liabilities	11,610,089	55,918,784	260	67,529,133
Net Position				
Net investment in capital assets	30,444	17,771,463	-	17,801,907
<i>Restricted</i>				
Restricted for debt service	500,000	1,875,000	-	2,375,000
Restricted for revolving loan funds	-	-	4,686,435	4,686,435
Restricted for new market tax credit program fees	-	1,007,849	-	1,007,849
Unrestricted	24,125,712	33,577,456	-	57,703,168
Total net position	24,656,156	54,231,768	4,686,435	83,574,359
Total liabilities and net position	\$36,266,245	\$110,150,552	\$4,686,695	\$151,103,492

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2014

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating Revenues				
Participation fees	\$ 3,108,998	\$ -	\$ -	\$ 3,108,998
Interest income on loans and notes receivable	164,479	346,906	60,962	572,347
Rental income	-	233,159	-	233,159
Contractual income	74,444	-	-	74,444
DREAM revenue	68,663	-	-	68,663
Other income	235,213	-	8,994	244,207
Administrative services revenue	-	30,000	-	30,000
Parking garage revenues	-	4,973,252	-	4,973,252
Total operating revenues	3,651,797	5,583,317	69,956	9,305,070
Operating Expenses				
Personnel services	784,481	-	-	784,481
Professional fees	156,126	39,117	667	195,910
Administrative services agreement	-	30,000	-	30,000
Travel	29,022	36	-	29,058
Supplies and other	138,117	319	114	138,550
Depreciation and amortization	14,016	1,922,729	-	1,936,745
Parking garage operating expenses	-	1,653,820	-	1,653,820
DREAM expense	419,632	-	-	419,632
Bad debt expense	-	-	48,570	48,570
Miscellaneous	35,330	1,530	-	36,860
Total operating expenses	1,576,724	3,647,551	49,351	5,273,626
Operating income	2,075,073	1,935,766	20,605	4,031,444
Non-Operating Revenue (Expense)				
Interest on cash and investments	188,003	18,820	7,714	214,537
Bond interest expense	-	(424,743)	-	(424,743)
Bond expense	-	(288,052)	-	(288,052)
Contributions to others	-	(14,400)	-	(14,400)
Total non-operating revenue (expense)	188,003	(708,375)	7,714	(512,658)
Income (loss) before interfund transfers	2,263,076	1,227,391	28,319	3,518,786
Interfund Transfers	(1,550,001)	1,550,001	-	-
Change in net position	713,075	2,777,392	28,319	3,518,786
Net position - beginning	24,656,156	54,231,768	4,686,435	83,574,359
Net position - ending	\$25,369,231	\$57,009,160	\$4,714,754	\$87,093,145

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Operating Revenues				
Participation fees	4,782,549	-	-	4,782,549
Interest income on loans and notes receivable	171,636	346,856	51,980	570,472
Rental income	-	233,159	-	233,159
Contractual income	70,000	-	-	70,000
DREAM revenue	271,426	-	-	271,426
Other income	220,066	5,614	5,137	230,817
Administrative services revenue	-	30,000	-	30,000
Parking garage revenues	-	4,372,019	-	4,372,019
Total operating revenues	5,515,677	4,987,648	57,117	10,560,442
Operating Expenses				
Personnel services	806,177	-	-	806,177
Professional fees	120,822	32,997	1,727	155,546
Administrative services agreement	-	30,000	-	30,000
Travel	36,841	1,031	-	37,872
Supplies and other	140,205	109	166	140,480
Depreciation and amortization	16,276	1,925,429	-	1,941,705
Parking garage operating expenses	-	1,458,828	-	1,458,828
DREAM expense	603,238	-	-	603,238
Bad debt expense	-	-	31,341	31,341
Miscellaneous	57,393	1,908	-	59,301
Total operating expenses	1,780,952	3,450,302	33,234	5,264,488
Operating income	3,734,725	1,537,346	23,883	5,295,954
Non-Operating Revenue (expense)				
Interest on cash and investments	18,758	7,398	1,554	27,710
Bond interest expense	-	(429,760)	-	(429,760)
Bond expense	-	(320,250)	-	(320,250)
Contributions to others	-	(5,014,400)	-	(5,014,400)
Total non-operating revenue (expense)	18,758	(5,757,012)	1,554	(5,736,700)
Change in net position	3,753,483	(4,219,666)	25,437	(440,746)
Net position - beginning	20,902,673	58,451,434	4,660,998	84,015,105
Net position - ending	\$24,656,156	\$54,231,768	\$4,686,435	\$83,574,359

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows

For the Year Ended June 30, 2014

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 1,146,870	\$ 5,740,562	\$ 64,606	\$ 6,952,038
Receipts for tax credit projects	27,953,781	-	-	27,953,781
Payments to suppliers and lessors	(386,465)	(1,821,593)	(987)	(2,209,045)
Payments for personnel and benefits	(710,039)	-	-	(710,039)
Net cash provided by operating activities	28,004,147	3,918,969	63,619	31,986,735
Cash Flows From Noncapital Financing Activities				
Contributions to others	-	(14,400)	-	(14,400)
Interfund transfers	(1,550,001)	1,550,001	-	-
Net cash provided (used) by noncapital financing activities	(1,550,001)	1,535,601	-	(14,400)
Cash Flows From Capital And Related Financing Activities				
Bond principal paid	-	(1,880,000)	-	(1,880,000)
Bond expense and interest paid	-	(716,328)	-	(716,328)
Acquisition of buildings and equipment	(4,289)	(3,674)	-	(7,963)
Net cash used by capital and related financing activities	(4,289)	(2,600,002)	-	(2,604,291)
Cash Flows From Investing Activities				
Purchases of investments	(60,726,091)	(1,062,120)	(1,007,690)	(62,795,901)
Maturities of investments	28,495,924	-	-	28,495,924
Interest on cash and investments	83,511	(6,170)	1,519	78,860
Disbursement of loan proceeds	-	-	(464,281)	(464,281)
Receipt of loan payments	334,379	26,435	231,669	592,483
Net cash used by investing activities	(31,812,277)	(1,041,855)	(1,238,783)	(34,092,915)
Net increase (decrease) in cash and cash equivalents	(5,362,421)	1,812,713	(1,175,164)	(4,724,872)
Cash and cash equivalents - June 30, 2013	25,490,109	7,892,987	2,746,322	36,129,418
Cash and cash equivalents - Current	\$20,127,688	\$ 9,705,700	\$ 1,571,158	\$31,404,546
<i>Reconciliation of operating income to net cash provided by operating activities:</i>				
Operating income	\$ 2,075,073	\$ 1,935,766	\$ 20,605	\$ 4,031,444
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation and amortization expenses	14,016	1,922,729	-	1,936,745
Adjustment to allowance for bad debt	(226,286)	-	48,570	(177,716)
(Increase) decrease in accrued interest on loans and notes receivable	-	22	(5,350)	(5,328)
(Increase) decrease in prepaid expenses and other assets	13,888	(84,172)	-	(70,284)
Increase (decrease) in accounts payable and accrued liabilities	391,763	(23,841)	(206)	367,716
Increase (decrease) in deferred revenue	-	168,465	-	168,465
Increase (decrease) in tax credit for contribution deposits	25,735,693	-	-	25,735,693
Total adjustments	25,929,074	1,983,203	43,014	27,955,291
Net cash provided by operating activities	\$28,004,147	\$ 3,918,969	\$ 63,619	\$ 31,986,735
<i>Reconciliation of cash and cash equivalents to the statement of net assets</i>				
Cash	\$ 9,158,123	7,989,220	\$ -	\$ 17,147,343
Restricted assets	38,019,028	2,778,600	2,578,849	43,376,476
Less: Restricted investments with original maturity of greater than 90 days	(27,049,463)	(1,062,120)	(1,007,690)	(29,119,273)
Total cash and cash equivalents	\$20,127,689	\$ 9,705,700	\$ 1,571,158	\$ 31,404,547

The notes to the financial statements are an integral part of this statement.

Missouri Development Finance Board

Statement of Cash Flows

For the Year Ended June 30, 2013

	Industrial Development and Reserve Fund	Parking Garage Fund	Revolving Loan Fund	Total Business-Type Activities
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 4,655,074	\$ 4,862,043	\$ 62,621	\$ 9,579,738
Receipts for tax credit projects	8,548,837	-	-	8,548,837
Payments to suppliers and lessors	(909,864)	(1,732,686)	(2,279)	(2,644,829)
Contributions to others	-	(5,000,000)	-	(5,000,000)
Payments for personnel and benefits	(736,177)	-	-	(736,177)
Net cash provided (used) by operating activities	11,557,870	(1,870,643)	60,342	9,747,568
Cash Flows From Capital And Related Financing Activities				
Bond principal paid	-	(172,000)	-	(172,000)
Bond expense and interest paid	-	(772,639)	-	(772,639)
Acquisition of buildings and equipment	(7,654)	(64,494)	-	(72,148)
Net cash used by capital and related financing activities	(7,654)	(1,009,133)	-	(1,016,787)
Cash Flows From Investing Activities				
Maturities of investments	5,380,945	1,794,240	-	7,175,185
Interest on cash and investments	45,321	7,454	1,554	54,329
Disbursement of loan proceeds	-	-	(34,321)	(34,321)
Receipt of loan payments	219,692	26,173	298,138	544,004
Net cash provided by investing activities	5,645,958	1,827,867	265,371	7,739,197
Net increase (decrease) in cash and cash equivalents	17,196,174	(1,051,909)	325,713	16,469,978
Cash and cash equivalents - June 30, 2012	8,293,935	8,944,896	2,420,609	19,659,440
Cash and cash equivalents - Current	\$25,490,109	\$ 7,892,987	\$2,746,322	\$36,129,418
<i>Reconciliation of operating income to net cash provided by operating activities:</i>				
Operating income	\$ 3,734,725	\$ 1,537,346	\$ 23,883	\$ 5,295,954
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>				
Depreciation and amortization expenses	16,276	1,925,429	-	1,941,705
Increase (decrease) in allowance for bad debt	(219,692)	-	14,631	(205,062)
(Increase) decrease in accrued interest on loans and notes receivable	8,906	8,813	22,214	39,933
(Increase) decrease in prepaid expenses and other assets	(25,025)	(182,977)	-	(208,002)
Increase (decrease) in accounts payable and accrued liabilities	48,635	(5,024,836)	(386)	(4,976,587)
Increase (decrease) in tax credit for contribution deposits	7,994,045	-	-	7,994,045
Increase (decrease) in unearned revenue	-	(134,418)	-	(134,418)
Total adjustments	7,823,145	(3,407,989)	36,459	4,451,614
Net cash provided (used) by operating activities	\$11,557,870	\$(1,870,643)	\$60,342	\$9,747,568
Reconciliation of cash and cash equivalents to the statement of net position				
Cash	\$14,134,544	\$ 4,992,942	\$ -	\$19,127,486
Restricted assets	11,855,565	2,900,045	2,746,322	17,501,932
Less: Portion maturing in 90 days or more	(500,000)	-	-	(500,000)
Total cash and cash equivalents	\$25,490,109	\$ 7,892,987	\$2,746,322	\$36,129,418

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

1. Financial Reporting Entity and Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Missouri Development Finance Board (the Board), is governed by the Revised Statutes of Missouri (RSMo) Sections 100.250 to 100.297 and 100.700 to 100.850, as a body corporate and politic of the State of Missouri created within the Department of Economic Development. The Board is governed by a 12-member Board. The Governor of the State of Missouri (the State), with the advice and consent of the Senate, appoints eight of the Board members. The remaining four Board members are the Lieutenant Governor, Director of the Department of Economic Development, Director of the Department of Agriculture, and Director of the Department of Natural Resources.

The Board is empowered to issue bonds and notes, provide loans, loan guarantees and grants to political subdivisions to fund public infrastructure improvements, and to issue Missouri tax credits for approved projects. The Board also has other authorized powers under State statute, including the ability to acquire, own, improve and use real and personal property such as parking garages and buildings.

The Board is a discretely presented component unit of the State of Missouri as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, as the Board does not meet the qualification for blending. Based on GASB 61, a component unit should be included in the reporting entity financial statements using the blending method if the component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit. Likewise, if the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it or if the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The Board has one active blended component unit and one inactive discretely presented component unit as defined by GASB Statement No. 61, *The Financial Reporting Entity*:

The Seventh Street Garage Public Parking Corporation (SSGPPC) is an active blended component unit within the Parking Garage Fund. MDFB is the sole member of SSGPPC, acting through a Board of Directors. Three Board members of the Missouri Development Finance Board serve as members for SSGPPC. The Board receives excess cash from SSGPPC, thus having a financial benefit, and has operational responsibility for SSGPPC. SSGPPC is a 501(c)(3) not-for-profit organization established for the primary purpose to serve as a qualified active low-income community business (QALICB) located in a low-income census tract in connection with the New Markets Tax Credit Program as defined in Section 45D of the Internal Revenue Code of 1986 as amended. The SSGPPC renovated a portion of the St. Louis Centre into a 750-space parking garage, which it operates. The SSGPPC maintains only one fund, an enterprise fund, and does not issue separately prepared financial statements.

The Board's discretely presented component unit, the Missouri Community Investment Corporation (MCIC) currently is inactive. The Board members of the Missouri Development Finance Board and five additional members serve as the Board for MCIC. MCIC is a 501(c)(3) not-for-profit organization established for the primary purpose of serving as a qualified community development entity (CDE) providing investment capital for the benefit of Low-Income Communities and Low-Income Persons within the State of Missouri in connection with the New Markets Tax Credit Program established pursuant to Section 45D of the Internal Revenue Code of 1986 as amended. MCIC was inactive during fiscal years 2014 and 2013, and thus has been omitted from presentation in the financial statements.

For purposes of these financial statements, all references to MDFB or the Board represent the primary government and its blended component unit.

(b) Basis of Presentation

The accounts of the Board are organized on the basis of funds. The Board accounts for its activities as enterprise funds, a type of proprietary fund. Proprietary funds are used to account for ongoing activities that are similar to activities found in the private sector. The measurement focus is upon determination of net income.

Specifically, enterprise funds account for operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service. Enterprise funds also account for activities where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Each fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. Pursuant to RSMo Sections 100.260 and 100.263, the Board has five statutory funds. For financial reporting purposes, the Board has chosen to present these funds as follows:

- **Industrial Development and Reserve Fund** — The Industrial Development and Reserve Fund (IDRF) is both a statutory fund and a fund for financial reporting purposes. At inception, the Board was funded by appropriations from the State General Revenue Fund; however, currently the Board's primary source of funds is from other sources as specified by its statutes. Funds may be used to make eligible direct loans or may be pledged as loan, note, or bond guarantees. RSMo Sections 33.080 and 100.260 provide that if funds are appropriated by the general assembly for this fund, they shall not lapse and the balance shall not be transferred to the State General Revenue Fund. This fund includes activity related to the Old Post Office (OPO) project and the DREAM initiative.
- **Parking Garage Fund** — The Parking Garage Fund (PGF) was established in 2003 by the Board for financial reporting purposes to account for the construction and ongoing operations of its parking garages. This fund derives its statutory authority from the Infrastructure Development Fund (IDF) as defined in RSMo Section 100.263. The IDF was established to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to State agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the Board for deposit in the funds. The Board garages qualify as public infrastructure. The garages are as follows: St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) supporting the OPO redevelopment project in St. Louis, and the Seventh Street Garage (SSG) in St. Louis. This fund is used to account for the Board's obligations and interests in the SSG. This fund also includes the Seventh Street Garage Public Parking Corporation (SSGPPC), a 501(c)(3) not-for-profit organization which accounts for operations of the Seventh Street Garage and is the Board's blended component unit.
- **Revolving Loan Fund** — The Revolving Loan Fund (RLF) is a financial reporting fund that includes the Missouri Infrastructure Development Loan (MIDOC) and the Small Business Loan Program activities. The statutory authority for the MIDOC Program is granted through the Infrastructure Development Fund (IDF), while the statutory authority for the Small Business Loan Program is derived from the Industrial Development and Reserve Fund (IDRF). Due to the similar nature of the two activities, they are combined for financial reporting purposes. The MIDOC Program was established in 1988 by RSMo Section 100.263, as amended, and was originally capitalized by appropriations from the State General Fund and from various other sources as allowed by the statute. MIDOC funds may be used to make low-interest loans to local political subdivisions. In 2009, the Board transferred \$2 million into the RLF to establish the Small Business Loan Program. The funds for the Small Business Loan Program are maintained separately from the MIDOC funds established by appropriations. Small Business Loan funds may be used to make low-interest loans to small businesses located within the State of Missouri.

(c) Method of Accounting

The economic resource measurement focus and the accrual basis of accounting are utilized for all Board funds. Revenues are recognized when earned and expenses are recorded when incurred.

Application fees and issuance fees are recognized as participation fees on the *Statement of Revenues, Expenses, and Changes in Net Position*. The Board recognizes revenue from application fees when received since the fees are due upon application submission and are nonrefundable. The Board recognizes revenue on issuance fees at the time of the issuance of the related bonds since, until actual issuance, the amount or the certainty of receiving the issuance fee is not determinable. Expenses related to bond issuance are recognized when incurred, as there is no reasonable method of allocating the expenses to issuance revenues because of the previously mentioned uncertainties.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of unspent contributions recorded as a liability. Contributions received for tax credits on behalf of the Board's projects are recorded as contributed revenue when all applicable eligibility requirements have been met, which is determined on a project-by-project basis.

(d) Cash and Cash Equivalents

Cash and cash equivalents within the *Statement of Cash Flows* include cash, certificates of deposit, and short-term investments with original maturities of 90 days or less.

(e) Investments

The Board has the power to invest in obligations of the United States or its agencies, insured or secured certificates of deposits, secured repurchase agreements, and state or political subdivisions obligations with the two highest credit rating categories. Investments are adjusted to fair value at fiscal year end.

(f) Loans and Allowance for Loan Loss

Loans are stated at the amount of unpaid principal, adjusted by an allowance for loan losses. The Board's loans are made to not-for-profit entities, small businesses and political subdivisions. In many cases, the repayment terms and collateral, if any, are much less stringent than typical financial institution loans due to the nature of the Board's mission. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely.

The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluation of the collectability of loans, prior loan loss experience or when the net present value of estimated future cash flows on the loan or fair value of collateral is less than the recorded value of the loan (computed on a loan-by-loan basis).

(g) Capital Assets

Capital assets, which consist of land, building, equipment, vehicle, and software, are stated at cost. Contributions of capital assets are recorded at fair market value at the time received. Capital assets are defined by the Board as assets with an individual cost of more than \$500 and an estimated useful life in excess of one year. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

<u>Buildings/ Leasehold Asset</u>	<u>Leasehold Improvements</u>	<u>Software</u>	<u>Equipment</u>	<u>Vehicle</u>
40 Years	10 Years	7 Years	3-5 Years	3 Years

It is the Board's policy to capitalize interest on debt incurred to finance the construction of capital assets, when material. The Board had no capital construction projects in progress for the fiscal years ended June 30, 2014 or 2013 and, therefore, there is no capitalized interest recorded, respectively.

(h) Compensated Absences

Under the terms of the Board's personnel policy, Board employees are granted vacation, sick, and compensatory leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and compensatory hours. Employees are not paid for accumulated sick leave upon termination. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities in the accompanying combined financial statements. The costs of sick leave are not accrued.

(i) Unearned Revenue

Unearned revenue is revenue that has not yet been earned, including rent received in advance and unearned income from capital leases.

(j) Long-Term Debt

For proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type *Statement of Net Position*. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are expensed at closing.

(k) Deferred outflows of resources

In addition to assets, the *Statement of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Board only has one item that qualifies for reporting in this category, an interest rate cap agreement in connection with the \$9 million debt borrowed from Pulaski Bank, see Note 3.

(l) Net Position

Equity is categorized in the *Statement of Net Position* as net investment in capital assets, restricted and unrestricted. Restricted net position consists of legal restrictions set by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Board's policy to use restricted resources first, and then unrestricted net position when they are needed. Unrestricted net position consists of the portion of net position not invested in capital assets that do not meet the definition of "restricted."

For the years ended June 30, 2014 and 2013, the net position of SSGPPC had deficit balances of \$(2,403,969) and \$(1,898,781), respectively.

(m) Classification of Operating, Non-operating, and Contributed Revenue

The Board has classified its revenues as operating, non-operating, or contributed revenues according to the following criteria:

- **Operating revenues** — Include revenue sources related to the basic purpose of the Board and include interest income on loans, fees and charges for services.
- **Non-operating revenues** — Include revenue sources unrelated to the basic purpose of the Board and include interest income on deposits and investments.
- **Contributed revenues** — Include investments made in the Board that increase overall net position due to involvement in a specific project and revenue related to the Tax Credit for Contribution Program authorized under State statute received for Board-owned projects.

(n) Classification of Operating and Non-operating Expenses

The Board has classified its expenses as operating and non-operating according to the following criteria:

- **Operating expenses** — Include expenses related to the basic purpose of the Board and include administrative expenses, costs associated with carrying out Board programs, depreciation, and bad debt expenses.
- **Non-operating expenses** — Include expenses related and unrelated to the basic purpose of the Board and may include expenses related to the basic purpose of the Board when such expenses are financial in nature such as bond and interest expenses.

(o) Participation Fees

The Board receives participation fees on certain direct loans, loan guarantees, bonds and tax credit contributions. Direct infrastructure loans are made to local governmental entities for public infrastructure needs.

Bond application fees are 0.1% of the amount of issuance limited to a minimum of \$500 and a maximum of \$2,500.

The issuance fee for private activity bonds is 0.3% and for public activity bonds is 0.25%. Total fees on both types of issuances are not to exceed \$75,000 for a single issue or multiple series under a single issue. For state agency bonds, the issuance fee is on a scale ranging from 0.1% to 0.2%, not to exceed \$75,000 for a single issue or multiple series under a single issue.

Bond issuances fees for refunding bonds previously issued by the Board are 0.2% for private activity bonds; on a scale ranging from 0.066% to 0.165% for public activity bonds; and on a scale ranging from 0.066% to 0.133% for state agency bonds. Total fees on all types of refunding issuances are not to exceed \$50,000 for a single issue or multiple series under a single issue.

BUILD Missouri (Business Use Incentives for Large-Scale Development) application fees are \$1,000 and non-refundable. The issuance fee is assessed as 2.5% of the bond principal with an annual fee of 0.5% of the principal portion outstanding at each anniversary date. The fee to cover legal counsel costs is 0.6% of bond principal with a minimum of \$10,000, plus out-of-pocket expenses. Trustee fees including an acceptance fee of \$850 and an annual administrative fee of \$850 also is assessed.

Participation fees for the Tax Credit for Contribution Program are 4% of all contributions.

(p) Issuance of Conduit Bonds

All of the bonds issued by the Board, with the exception of the long-term debt issued for the St. Louis Convention Center Hotel Garage (SLCCHG), the Ninth Street Garage (NSG) and the Seventh Street Garage (SSG) (see Note 10), are conduit obligations. Conduit obligations are special, limited obligations of the Board and the assets of the Board are not pledged to secure such bonds. The borrower pays all debt service requirements. The bonds do not constitute an obligation of the Board or the State. See Note 16(c) to the financial statements for further information.

(q) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Estimates are used for, but not limited to, provisions for loan losses, asset impairment, depreciable lives of capital assets, and fair value of financial instruments. The Board is subject to uncertainties such as the impact of future events, economic, environmental and political factors, and changes in the business climate; therefore, actual results may differ from those estimates.

Accordingly, the accounting estimates used in the preparation of the Board's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Board's operating environment changes. Changes in estimates are made when circumstances warrant. Such changes and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Accordingly, actual results may differ from those estimates.

2. Deposits and Investments

The Board originally adopted a policy on investments in 2007 and further revised the policy during fiscal year 2013. Pursuant to the policy, the Board is authorized to invest funds not required for immediate disbursement in obligations of the United States, or any agency or instrumentality of the United States, in obligations of the State of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations, or in such other obligations that may be prescribed by the Board. A specific list of acceptable investments and terms of investing are detailed within the Board's investment policy.

As of June 30, 2014 and 2013, the Board had the following investments:

	2014		2013	
	Carrying Value	Weighted Average Maturity	Carrying Value	Weighted Average Maturity
Investment type:				
Money Market Funds	\$ 2,455,089	0.0417	\$2,144,597	0.0776
U.S. Government Agency Discount Notes	34,279,383	2.2697	-	0.0000
Overnight Repurchase Agreements	22,422,980	0.0028	29,909,316	0.0028
Total Fair Value	<u>\$ 59,157,452</u>		<u>\$32,053,913</u>	

- **Interest Rate Risk** — In accordance with its investment policy, the Board manages its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice reduces exposure to significant declines in fair values.
- **Credit Risk** — The Board's policy is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposit, secured repurchase agreements, and state or political subdivision obligations with the two highest credit ratings issued by nationally recognized statistical rating organizations (NRSROs). Policy prohibits the purchase of any investments that do not meet the above mentioned criteria. As of June 30, 2014, all of the Board's investments were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Board did not hold any investments at June 30, 2013. As of June 30, 2014 and 2013, SSGPPC, the Board's component unit, held a CD at US Bank. This CD was rated AA- by Standard & Poor's and Aa3 by Moody's Investors Service. The Board does not hold corporate bonds and does not participate in investment pools.
- **Concentration of Credit Risk** — Due to the unusually conservative nature of the Board's investment policy, the Board is not at risk due to concentration.
- **Custodial Credit Risk - Investments** — For an investment, this is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments. As of June 30, 2014 and 2013, there is no custodial credit risk for the Board's investments due to the Board's investment policy which prohibits obligations not fully secured.
- **Custodial Credit Risk - Deposits** — In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2014 and 2013, the Board's deposits were fully covered by FDIC insurance and government-backed securities.

As required by Missouri law, the depository banks pledge securities, in addition to the Federal Depository Insurance Corporation insurance, to equal or exceed the amount on deposit at all times. As of June 30, 2014 and 2013, securities with a total fair value of \$30,553,676 and \$37,515,920, respectively, are held in a joint custody account with the Federal Reserve Bank.

As of June 30, 2014 and 2013, the Board's deposits were collateralized as follows:

Bank balance:	2014	2013
Insured by the FDIC	\$1,250,000	\$1,123,773
Collateralized with securities pledged by the financial institutions	5,760,142	3,437,642
Amount not collateralized	-	-
Total deposits	\$7,010,142	\$4,561,415
Carrying value	\$7,047,072	\$4,575,505

The Board's total cash and investments as of June 30, 2014 and 2013 were as follows:

	2014	2013
U.S. government and agency securities from above	\$ 59,157,452	\$32,053,913
Cash deposits from above	7,047,072	4,575,505
Total cash and investments	\$66,204,524	\$36,629,418
<i>As reflected on the statement of net position:</i>		
Cash	\$17,147,343	\$19,127,486
Investments	5,680,705	-
Restricted assets	43,376,476	17,501,932
Total cash and investments	\$66,204,524	\$36,629,418

3. Derivative Instrument – Interest Rate Cap Agreement

Other assets and deferred outflows of resources are composed of the following as of June 30, 2014 and 2013:

	2014	2013
Interest rate cap agreement	\$387,000	\$387,000
Adjustment to fair value	(352,741)	(317,958)
Fair value	\$ 34,259	\$ 69,042

Interest Rate Cap Agreement

In connection with the \$9 million debt borrowed from Pulaski Bank (see Note 10), MDFB entered into an interest rate cap agreement with Morgan Stanley Capital Services, LLC, (credit rating of A) to cover a portion of the period (2015-2020) when the debt carries a variable interest rate. The agreement is intended to provide a cash flow hedge for the variable interest rate of the obligation. This agreement's notional amount is based on the amortized loan balance (starting at \$8.4 million) with a cap rate of 5.264% and a floating rate of monthly LIBOR. The cost of the interest rate cap agreement was \$387,000, and the estimated fair value at June 30, 2014 and 2013, was \$34,259 and \$69,042, respectively. The fair value of the interest rate cap was estimated using a proprietary pricing service. MDFB has determined the hedge meets the criteria for effectiveness and has recorded the accumulated adjustment to fair value as a deferred outflow of resources.

Risks:

- **Credit Risk** — MDFB is exposed to credit risk on hedging derivative instruments that are in asset positions. MDFB currently does not have a policy regarding credit risk.
- **Interest Rate Risk** — MDFB is not exposed to interest rate risk on its interest rate cap agreement.

- **Basis Risk** — MDFB is not exposed to basis risk on its interest rate cap hedging derivative instruments because the same variable-rate is used for both debt payments paid by MDFB and the interest rate cap agreement.
- **Termination Risk** — MDFB or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.
- **Rollover Risk** — MDFB is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Board will be re-exposed to the risks being hedged by the hedging derivative instrument.

4. Interfund Activity

(a) Due To/From Other Funds

There were no due to and due from balances as of June 30, 2014 and 2013.

(b) Interfund Transfers

In the year ended June 30, 2014, the Industrial Development and Reserve Fund (IDRF) transferred \$1,501,001 to the Parking Garage Fund (PGF) to redeem debt on the St. Louis Convention Center Hotel Garage. Also see Note 10.

In the year ended June 30, 2013, there were no interfund transfers.

5. Loans, Notes Receivable And Allowance For Loan Losses

Direct loans through the Industrial Development and Reserve Fund (IDRF) represent loans to individual companies and political subdivisions in Missouri and are generally secured. Direct loans through the Revolving Loan Fund (RLF) represent low interest loans made to local political subdivisions which are generally unsecured and to small businesses which are also secured by personal guarantees and personal property of the borrower evidenced by a filing under the Uniform Commercial Code. Loans from the Parking Garage Fund (PGF) represent loans that relate to parking garage projects and are generally secured.

During fiscal year 2010, the Board loaned the St. Louis Centre Garage Investment Fund, LLC (SLCGIF) \$24 million to assist with the Seventh Street Garage project (see Note 7). The note matures January 31, 2041, is due in monthly payments of \$22,125 (principal and interest), and bears interest at 1%. The Seventh Street Garage Public Parking Corporation (SSGPPC) repays the loans to three CDEs from the parking garage revenues; the CDEs are to pay a monthly income distribution consisting of interest income received from SSGPPC to the SLCGIF; and the SLCGIF repays its note to MDFB.

In February 2010, the Board loaned the Land Clearance for Redevelopment Authority of the City of St. Louis (LCRA) \$5 million to assist with the redevelopment of One City Center that is related to the Seventh Street Garage project. The loan is secured by the full-faith and credit obligation of the LCRA and assignment of LCRA's interest in One City Center. Interest is adjusted annually each December 1 to a variable rate equal to the Applicable Interest Rate on each Adjustment Date. The current interest rate through December 1, 2014 is 2.14%. Final maturity is December 1, 2019.

For the fiscal years ended June 30, 2014 and 2013, the allowance for loan losses was \$5,782,060 and \$5,968,211, respectively. Allowance for loan losses is evaluated on a per loan basis.

During fiscal year 2014, the allowance for loan losses was reduced due to the collection of an installment on the American Fish and Wildlife Museum Loan in the amount of \$226,283. The allowance for loan losses was increased in the Revolving Loan Fund by \$43,121. Adjustments also were made in the allowance for loan losses on Small Business

Loans receivables as defaulted loan payments are received and as defaults occur throughout the fiscal year; the total adjustment for fiscal year 2014 was \$2,989. The principal amount of the loan payments received from defaulted loans is recorded in other income.

During fiscal year 2013, the allowance for loan losses was reduced due to the collection of an installment on the American Fish and Wildlife Museum Loan in the amount of \$219,692. The allowance for loan losses was increased in the Revolving Loan Fund by \$14,631. This was mainly due to adjustments made in the allowance for loan losses on Small Business Loans receivables as defaulted loan payments are received and as defaults occur throughout the fiscal year; the total adjustment for fiscal year 2013 was \$14,675. The principal amount of the loan payments received from defaulted loans is recorded in other income.

No allowance has been established in connection with the Parking Garage Fund loans.

Loans and notes receivable at June 30, 2014 and 2013, was as follows:

	2014		2013	
	Current	Long-term	Current	Long-term
Industrial Development and Reserve Fund	\$109,802	\$15,480,890	\$109,802	\$ 15,815,269
Parking Garage Fund	26,702	28,866,258	26,436	28,892,960
Revolving Loan Fund	218,313	2,154,809	220,796	1,928,151
Total	354,817	46,501,957	357,034	46,636,380
Less: allowance for loan losses	-	5,782,060	-	5,968,211
Total loans and notes receivable, net	\$354,817	\$40,719,897	\$357,034	\$40,668,169

6. Restricted Assets

As of June 30, 2014, the total Second Loss Debt Service Reserve Fund is \$500,000 for the City of Grandview Series 2003 Gateway Commons.

Contributions received for tax credits on behalf of other entities are treated as conduit transactions, with the amount of held contributions recorded as restricted assets with a corresponding liability, see Note 9.

In December 2000, the Board issued debt in the amount of \$21.1 million to finance the construction of the St. Louis Convention Center Hotel Garage (SLCCHG) project. Per the Letter of Credit, the Board was required to establish an Operating Reserve and to deposit all net operating profits. Amounts held in the Operating Reserve may be utilized for ongoing operating expenses and debt service on the SLCCHG. Any amount deposited over \$1,375,000 may be disbursed without bank consent (also see Note 10 for additional covenants). As of June 30, 2014 and 2013, the balance held in the operating reserve was \$4,240,074 and \$3,029,243, respectively.

In April 2010, the Board issued debt in the amount of \$9 million to assist with the financing of the Seventh Street Garage project. Per the Bond Trust Indenture, the Board was required to hold \$4.5 million in a debt service reserve fund at UMB, the trustee bank. In addition, per the Indenture, so long as the bonds are outstanding, MDFB was required to maintain unencumbered and unrestricted net assets in the form of cash and marketable securities in an amount, including any permitted investments in the debt service reserve fund, of not less than \$17.5 million. On June 28, 2012, the Board pledged the Ninth Street Garage and its revenues to Pulaski Bank. In exchange, Pulaski agreed to release the requirement that the Board hold \$17.5 million in unrestricted cash balances and instead required the Board maintain an operating reserve of \$500,000. Also see Note 10 for details.

In April 2010, the SSGPPC executed notes payable totaling \$29,840,934 to the three CDEs to fund the construction of the Seventh Street Garage project (see Note 10). The reserve fund accounts were established to cover management and accounting fees associated with the New Markets Tax Credit Program compliance.

As of June 30, 2014 and 2013, the Board had \$2,778,600 and \$2,900,045, respectively in total assets restricted in the Parking Garage Fund (PGF) to satisfy the above requirements (see the following table).

The Revolving Loan Fund consists of activities for the MIDOC and Small Business Loan programs. Cash in this fund is restricted for these programs.

In May 2014, the Board agreed to provide financial administration of the Department of Economic Development's GMAP program. DED maintains responsibility for all program administration of the GMAP program including processing all applications and other forms/documents as necessary. DED submits a purchase invoice to the Board to notify the Board when a participant is eligible for a financial disbursement. MDFB established a separate bank account for the funds and provides a quarterly report of disbursements of the financial awards and availability of funds. DED transferred \$436,500 to the Board for the financial administration of the program in June 2014. The Board collects an administration fee of \$8,730 annually, in exchange for the services rendered.

Restricted assets consist of the following as of June 30, 2014 and 2013:

	2014	2013
Second loss debt service reserve funds	\$ 500,000	\$ 500,000
Department of Economic Development - GMAP Funds	427,770	-
Tax credit for contribution deposits (Note 9)	37,091,258	11,355,565
Total restricted assets - Industrial Development and Reserve Fund	38,019,028	11,855,565
St. Louis Convention Center Hotel Garage reserve deposits	1,375,000	1,375,000
Additional Seventh Street Garage bond reserve deposits	500,000	500,000
SSGPPC NMTC reserve and required funds	903,600	1,025,045
Total restricted assets - Parking Garage Fund	2,778,600	2,900,045
MIDOC funds	1,514,802	1,812,383
Small Business Loan funds	1,064,046	933,939
Total restricted assets - Revolving Loan Fund	2,578,848	2,746,322
Total restricted assets	\$43,376,476	\$17,501,932

7. Capital Assets

During 2000, the Board used a \$6 million contribution from a taxpayer and \$21.1 million in bond proceeds to purchase land and begin construction of the St. Louis Convention Center Hotel Garage (SLCCHG) adjacent to the St. Louis Convention Center Hotel. The SLCCHG began operations in August 2002.

In April 2003, the Board used a \$10 million contribution from a taxpayer and began participating in two related redevelopment projects in downtown St. Louis, Missouri. During 2004 and 2005, \$18.8 million in additional funds were raised to fund the remainder of the projects. The first project, commonly referred to as the "Old Post Office Project" or the "OPO Project," consisted of the acquisition and renovation of the U.S. Custom House and Old Post Office, a historic structure in downtown St. Louis. The second project consisted of the acquisition and demolition of the Century Building and the construction of a parking garage located to the west of the OPO Project. This project is known as the "Ninth Street Garage Project" or the "NSG Project." The OPO and NSG Projects are separate and distinct projects for purposes of financial reporting, but integrally linked for development and operational purposes.

The Board acquired title to the OPO Project on October 13, 2004 from the General Services Administration of the United States of America at no cost to the Board. The Board then executed a 99-year lease of the OPO Project with St. Louis U.S. Custom House and Post Office Building Associates, LP, a Missouri limited partnership (OPO Master Lessee). In connection with the financial closing of the OPO Project on October 14, 2004, the Board made a subordinated loan to the OPO Master Lessee in the amount of \$12.75 million to assist in the financing

of the OPO Project – the balance was \$12,615,608 and \$12,723,704 for the years ended June 30, 2014 and 2013, respectively. Pursuant to the OPO Master Lease, the Board has an option to purchase the OPO leasehold interest from the OPO Master Lessee beginning December 31, 2014 at the greater of the fair market value or the development debt outstanding. Renovation of the OPO Project was completed in late 2006.

The NSG Project is owned by the Board and consists of the development and construction of a 1,050-space parking garage located on the west side of Ninth Street directly across from the OPO Project. The land was purchased in April 2003. The Board has entered into long-term parking leases with tenants of the OPO Project and with surrounding businesses and building owners. The NSG Project was completed in 2007.

In April 2010, the Board acquired title to 601 Locust, now known as Seventh Street Garage, via an assignment of purchase and sale agreement with the LCRA. Total consideration for the exchange was approximately \$14.2 million. The Board executed two long-term capital leases: a “retail” lease and a “garage” lease (see Note 14).

The lessee of the garage space is the Seventh Street Garage Public Parking Corporation (SSGPPC), the blended component unit. The Seventh Street Garage commenced operations in fiscal year 2011.

SSGPPC’s garage project qualifies for the Federal New Markets Tax Credit Program, which facilitated financing for the project. The garage project is part of a larger redevelopment project affecting adjoining office buildings in St. Louis. For the garage project, MDFB provided indirect funding in the form of a \$24 million loan to St. Louis Centre Garage Investment Fund, LLC, an entity 100% owned by U.S. Bank Community Development Corporation (USBCDC). The proceeds of the MDFB loan were combined with New Markets Tax Credit qualified equity investments and provided as an equity investment to each of three non-related community development entities: National Development Council (NDC), Urban Development Fund (UDF) and St. Louis Development Corporation (SLDC). Total proceeds of \$29,840,934 (see Note 10) were subsequently loaned to SSGPPC to provide direct financing for the garage project. In addition, SSGPPC received an upfront parking lease payment of \$1 million from U.S. Bank, which is recorded as unearned revenue and also used to fund the project. The garage project is backed by an Indemnity Agreement with the LCRA.

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions/ Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 7,219,739	\$ -	\$ -	\$ 7,219,739
Capital assets, being depreciated:				
Building	75,630,938	-	-	75,630,938
Equipment	304,705	7,965	-	312,670
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets, being depreciated	76,034,492	7,965	-	76,042,457
Less: accumulated depreciation for:				
Building	11,193,532	1,890,710	-	13,084,242
Equipment	176,475	37,017	-	213,492
Leasehold improvements	47,681	5,667	-	53,348
Vehicle	19,172	-	-	19,172
Software	10,530	3,351	-	13,881
Total accumulated depreciation	11,447,390	1,936,745	-	13,384,135
Total capital assets, being depreciated, net	64,587,102	(1,928,780)	-	62,658,322
Total capital assets, net	\$ 71,806,841	\$ (1,928,780)	\$ -	\$ 69,878,061

Capital asset activity for the year ended June 30, 2014, was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total Capital Assets
Land	\$ -	\$ 7,219,739	\$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	100,199	212,471	312,670
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Sub-total	190,208	83,071,988	83,262,196
Less: accumulated depreciation	(169,489)	(13,214,646)	(13,384,135)
Total capital assets, net	\$ 20,719	\$ 69,857,342	\$ 69,878,061

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Deletions/ Retirements	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 7,219,739	\$ -	\$ -	\$ 7,219,739
Capital assets, being depreciated:				
Building	75,630,938	-	-	75,630,938
Equipment	235,392	72,148	(2,835)	304,705
Leasehold improvements	56,211	-	-	56,211
Vehicle	19,172	-	-	19,172
Software	23,466	-	-	23,466
Total capital assets, being depreciated	75,965,179	72,148	(2,835)	76,034,492
Less: accumulated depreciation for:				
Building	9,301,308	1,892,224	-	11,193,532
Equipment	138,843	40,467	(2,835)	176,475
Leasehold improvements	42,013	5,668	-	47,681
Vehicle	19,172	-	-	19,172
Software	7,185	3,345	-	10,530
Total accumulated depreciation	9,508,521	1,941,704	(2,835)	11,447,390
Total capital assets, being depreciated, net	66,456,658	(1,869,556)	-	64,587,102
Total capital assets, net	\$73,676,397	\$(1,869,556)	\$ -	\$71,806,841

A summary of capital assets by fund at June 30, 2013 was as follows:

	Industrial Development and Reserve Fund	Parking Garage Fund	Total Capital Assets
Land	\$ -	\$ 7,219,739	\$ 7,219,739
Building	-	75,630,938	75,630,938
Equipment	95,909	208,796	304,705
Leasehold improvements	56,211	-	56,211
Vehicle	19,172	-	19,172
Software	14,626	8,840	23,466
Sub-total	185,918	83,068,313	83,254,231
Less: accumulated depreciation	(155,474)	(11,291,916)	(11,447,390)
Total capital assets, net	\$30,444	\$71,776,397	\$ 71,806,841

8. Compensated Absences

Board employees are granted vacation, sick, and compensatory leave. The amounts of accrued vacation and compensatory hours are included as current and non-current liabilities. The current amount due is only an estimate. The costs of sick leave are not accrued. For the fiscal years ended June 30, 2014 and 2013, total accrued compensated absences were \$70,930 and \$65,050, respectively.

Changes in compensated absences for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Compensated Absences	\$65,050	\$42,201	\$36,321	\$70,930	\$30,038

Changes in compensated absences for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Compensated Absences	\$62,276	\$37,105	\$34,331	\$65,050	\$35,012

9. Tax Credit For Contribution Deposits

One of the Board's programs is the Tax Credit for Contribution Program. During any calendar year, the Board can authorize up to \$10 million in tax credits. The limitation on tax credit authorization may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the Commissioner of the Office of Administration, the Director of the Department of Economic Development, and the Director of the Department of Revenue that such action is essential to ensure retention or attraction of investment in Missouri; provided, however, that in no case shall more than \$25 million in tax credits be authorized during such year.

Through this program, the Board is authorized to grant tax credits in an amount equal to 50% of contributions accepted by the Board. Eligible infrastructure projects approved by the Board are granted the contributions. Contributions received by the Board are remitted to fund the project upon requests supported by proof of eligible reimbursable project expenditures or used to fund projects owned by the Board. Contributions on deposit with the Board are reflected as restricted assets and a liability in the accompanying financial statements. As of June 30, 2014 and 2013, the Board held deposits received pursuant to the Tax Credit for Contribution Program of \$36,591,260 and \$11,355,565, respectively.

10. Long-Term Debt

Summary of debt held as of June 30, 2014 and 2013, was as follows:

	2014	2013
St. Louis Convention Center Hotel Garage \$3,910,000 Series 2000B, taxable infrastructure facilities revenue bonds; and \$11,440,000 St. Louis Convention Center Hotel Garage Series 2000C, tax exempt infrastructure facilities revenue bonds. Variable rate interest installments are paid monthly with interest not to exceed 10% per annum. \Remaining principal is due December 1, 2020.	\$13,650,000	\$15,350,000
Seventh Street Garage \$9,000,000 Series 2010, Recovery Zone Facility Bonds. Monthly interest installments began July 1, 2010 and monthly principal installments began June 1, 2012. The interest rate per the Interest Deferral Agreement is the lesser of 1.25% plus 30-day LIBOR or 4.25% through April 30, 2015; then a variable rate through May 2020 not to exceed 5.264% pursuant to Interest Rate Cap Agreement (See Note 3). Variable rate thereafter through May 2040.	8,634,000	8,814,000
Seventh Street Garage \$3,424,425 NDC New Markets Investment LVII, LLC (NDC) Loan A note payable; \$4,424,779 NDC Loan B note payable; and \$2,192,642 NDC Loan C note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	10,041,846	10,041,846
Seventh Street Garage \$4,314,775 Urban Development Fund IX, LLC (UDF) Loan A-1 note payable; \$5,575,221 UDF Loan B-1 note payable; and \$1,909,092 UDF Loan C-1 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	11,799,088	11,799,088
Seventh Street Garage \$6,260,800 St. Louis New Markets Tax Credit Fund-XI, LLC (SLDC) Loan A-2 note payable; and \$1,739,200 SLDC Loan C-2 note payable. Fixed interest rate of 0.92% per annum. Monthly interest installments began June 5, 2010. Loan matures December 31, 2040.	8,000,000	8,000,000
Total	52,124,934	54,004,934
Less current portion	(189,000)	(180,000)
Long-term debt	\$51,935,934	\$53,824,934

Changes in outstanding debt for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due within one year
Long-Term Debt	\$54,004,934	\$ -	\$1,880,000	\$52,124,934	\$189,000

Changes in outstanding debt for the year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due within one year
Long-Term Debt	\$54,176,934	\$ -	\$172,000	\$54,004,934	\$180,000

St. Louis Convention Center Hotel Series 2000B and 2000C

The annual debt service requirement as of June 30, 2014, was as follows:

	Principal	Interest	Total
2015	\$ -	\$ 13,344	\$ 13,344
2016	-	13,344	13,344
2017	-	13,345	13,345
2018	-	13,345	13,345
2019	-	13,345	13,345
2020 - 2021	13,650,000	40,032	13,690,032
Totals	\$13,650,000	\$106,755	\$13,756,755

The bonds have mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The annual debt service schedule above assumes an interest rate of 0.098% representing the interest rate at June 30, 2014. The actual interest paid during 2014 and 2013 averaged 0.15% and 0.09%, respectively. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation and a Deed of Trust on the St. Louis Convention Center Hotel Garage (SLCCHG).

The Series 2000B bonds bear interest at a weekly rate; the Series 2000C bonds bear interest at a daily rate. The interest rate on bonds will be determined by the remarketing agent as the lowest rate of interest which in its judgment will cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

Seventh Street Garage Series 2010

The annual debt service requirement as of June 30, 2014, was as follows:

	Principal	Interest	Total
2015	\$ 189,000	\$ 123,415	\$ 312,415
2016	195,000	120,646	315,646
2017	204,000	117,755	321,755
2018	214,000	114,756	328,756
2019	223,000	111,616	334,616
2020 - 2024	1,265,000	505,957	1,770,957
2025 - 2029	1,567,000	404,348	1,971,348
2030 - 2034	1,934,000	278,655	2,212,655
2035 - 2039	2,392,000	123,363	2,515,363
2040	451,000	3,009	454,009
Totals	\$8,634,000	\$1,903,520	\$10,537,520

The bonds are set for monthly mandatory sinking fund redemptions that are the equivalent of maturing principal as indicated above. The Board is required to deposit all amounts received from Seventh Street Garage Public Parking Corporation to UMB Bank, N.A. for payment on the bonds. The Board may request a withdrawal of funds exceeding the \$500,000 minimum balance requirement. Also see Note 6. For the periods ended June 30, 2014 and 2013, the Board was in compliance with said requirement. Debt is further collateralized by Bond Guarantee Tax Credits equal to the outstanding amount of the obligation plus any accrued interest, a Deed of Trust on the Seventh Street Garage, and a Deed of Trust on the Ninth Street Garage.

As of June 28, 2012 through April 30, 2015, the Board entered into an Interest Deferral Agreement whereby the bond interest rate is the lesser of the Modified Pay Rate or 4.25% annually. The Modified Pay Rate is defined as the LIBOR rate plus 1.25% per annum (or 1.65% per annum if the Ninth Street Garage Deed of Trust is removed as collateral). The difference between the two rates is deferred until due or forgiven. The Board anticipates the deferred interest will be forgiven.

For the period May 1, 2015 through maturity, the bonds will carry a variable rate of interest. MDFB has the option to select from three variable interest rates prior to each interest rate period: a monthly term rate equal to LIBOR (not less than 3%), an annual term rate (one-year U.S. Treasury Rate plus 2.5% but not less than 3%), or a five-year fixed term rate (5-year Treasury rate plus 2.5% but not less than 4.25%). For the period beginning May 2015 and ending May 2020, the rate paid by MDFB will not exceed 5.264% pursuant to a rate cap agreement with Morgan Stanley Capital Services, LLC (see Note 3).

NDC New Markets Investment LVII, LLC Loan A, B and C notes payable

The annual debt service requirement as of June 30, 2014, was as follows:

	Principal	Interest	Total
2015	\$ -	\$ 92,385	\$ 92,385
2016	-	92,385	92,385
2017	155,286	92,147	247,433
2018	-	90,956	90,956
2019	-	90,956	90,956
2020 - 2024	1,621,651	426,556	2,048,207
2025 - 2029	2,123,768	341,175	2,464,943
2030 - 2034	2,623,910	234,193	2,858,103
2035 - 2039	3,211,330	102,581	3,313,911
2040	305,901	2,580	308,481
Totals	\$10,041,846	\$1,565,913	\$11,607,759

Urban Development Fund IX, LLC Loan A-1 and B-1 notes payable

The annual debt service requirement as of June 30, 2014, was as follows:

	Principal	Interest	Total
2015	\$ -	\$ 108,552	\$ 108,552
2016	-	108,552	108,552
2017	-	108,552	108,552
2018	-	108,552	108,552
2019	-	108,552	108,552
2020 - 2024	1,935,351	509,072	2,444,423
2025 - 2029	2,534,606	407,175	2,941,781
2030 - 2034	3,131,500	279,497	3,410,997
2035 - 2039	3,832,552	122,424	3,954,976
2040	365,079	3,079	368,158
Totals	\$11,799,088	\$1,864,006	\$13,663,094

St. Louis New Markets Tax Credit Fund-XI, LLC Loan A-2 and C-2 notes payable

The annual debt service requirement as of June 30, 2014, was as follows:

	Principal	Interest	Total
2015	\$ -	\$ 73,600	\$ 73,600
2016	-	73,600	73,600
2017	-	73,600	73,600
2018	-	73,600	73,600
2019	-	73,600	73,600
2020 - 2024	1,312,204	345,160	1,657,364
2025 - 2029	1,718,511	276,072	1,994,583
2030 - 2034	2,123,216	189,504	2,312,720
2035 - 2039	2,598,541	83,006	2,681,547
2040	247,528	2,088	249,616
Totals	\$8,000,000	\$1,263,830	\$9,263,830

11. Unearned Revenue

In November 2009, the Board approved participation in a CID and TDD, see Note 16(b). The CID and TDD funds, as well as funds received from the Hotel, are applied to the parking rent due for the St. Louis Convention Center Hotel Garage parking from the Renaissance Grand Hotel. Funds in excess of the amount due are reflected as unearned revenue. The CID and TDD unearned revenue for the fiscal years ended June 30, 2014 and 2013 was \$60,276 and \$0, respectively. As of June 30, 2013, amounts remitted were less than the parking rent due and as a result, shown in accounts receivable; the balance owed to MDFB was \$139,799. In June 2014, the Renaissance Grand forwarded \$62,500 to MDFB in error. This balance was returned to the Hotel in July 2014 but has been reflected as unearned revenue for the year ended June 30, 2014.

In April 2010, SSGPPC paid MDFB base rent of \$6,406,643 under a capital lease agreement (see Note 7). MDFB has recorded unearned revenue in the amount of \$890,122 and \$902,748 for June 2014 and 2013, respectively, due to the difference between the minimum lease payment and the estimated fair market value of the building of \$5,463,913 at the time of closing.

Also in April 2010, US Bank prepaid rent of \$1 million to the SSGPPC. The prepayment is reflected in unearned revenue and is amortized over the life of the lease. For the fiscal years ended June 30, 2014 and 2013, Seventh Street Garage unearned revenue was \$886,111 and \$919,444, respectively, in unearned revenue for parking rent paid in advance.

Total unearned revenue for fiscal years ended June 30, 2014 and 2013 is \$1,899,009 and \$1,822,192, respectively.

12. Rental Income

Future minimum rental income on non-cancelable operating leases was as follows:

	St. Louis Convention Center Hotel Garage	Ninth Street Garage	Seventh Street Garage (SSGPPC)
2015	\$ 976,400	\$ 753,900	\$ 1,388,175
2016	976,400	753,900	1,416,600
2017	976,400	731,190	1,445,100
2018	976,400	712,200	1,445,100
2019	976,400	706,800	1,473,600
2020-2024	4,819,500	2,529,600	7,539,000
2025-2029	4,757,000	2,112,000	7,909,500
2030-2034	4,757,000	1,806,000	8,251,500
2035-2039	4,757,000	1,570,800	8,622,000
2040-2044	4,757,000	1,365,000	3,545,700
2045-2049	3,907,000	1,070,250	-
2050-2054	507,000	780,000	-
2055-2059	507,000	780,000	-
2060-2062	228,150	468,000	-
Totals	\$33,878,650	\$16,139,640	\$43,036,275

The Parking Garage Fund's St. Louis Convention Center Hotel Garage (SLCCHG) 880-space parking garage was constructed by the Board to support the St. Louis Convention Center Hotel project in downtown St. Louis. The carrying value of the garage is \$21,913,825, less accumulated depreciation of \$5,125,902 and \$4,695,757 as of June 30, 2014 and 2013, respectively. In May 2014, the Board executed a license agreement with 800 Washington, LLC (Licensee), the new owner of the Renaissance Grand Hotel. The agreement is in effect through June 30, 2054. Under the agreement, 275 undesignated, unreserved parking spaces are allocated by the Operator for daily use by the Hotel guests with the option of an additional 325 spaces given seven days prior notice. The Licensee is to pay a base annual license charge of \$62,500 per month plus an amount equal to 40% of the amount by which operating expenses in the

garage exceeds \$560,000. Prior to May 2014, the Renaissance Grand Hotel leased a minimum of 375 spaces with the option of leasing up to 275 additional spaces with proper notice. The minimum lease payment for the Hotel's use of the garage was \$554,282 per year with an expiration date of December 31, 2047. In addition to the Hotel, the nearby Merchandise Mart, a mixed-use development with apartments and retail space, has a lease for up to 118 spaces in this parking garage with minimum annual lease payments of \$25,000. The initial lease is for 19 years with an expiration date of December 31, 2021. There is a renewal option for an additional 11 years if the Merchandise Mart pays a \$50,000 renewal fee 90 days prior to the lease expiration term. The Roberts Old School House Lofts, LP (Roberts) had executed a lease on March 1, 2011, but terminated their lease October 19, 2012. The STL Loft Partners, LLC purchased properties from Roberts and executed a new lease with the Board on October 19, 2012 for 50 years; 40 spaces are to be taken the first year, and up to 35 additional spaces may be requested with notice by October 31, 2013. As of June 30, 2014, 25 additional spaces had been taken. Both the Merchandise Mart and STL Loft Partners, LLC leases call for parking rates to be equivalent to rates paid by the general public for monthly parking.

The Parking Garage Fund's Ninth Street Garage (NSG) is a 1,050-space parking garage constructed by the Board to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown St. Louis. The carrying value of the garage is \$32,474,135, less accumulated depreciation of \$5,548,313 and \$4,799,320 as of June 30, 2014 and 2013, respectively. Leases are in place with the Eastern District Court of Appeals, Webster University, Frisco Associates, Pyramid Construction (which was assigned to Paul Brown Developer, LP), and entities associated with the Syndicate Building. The Office of Administration for the State of Missouri is on a month-to-month basis, and currently utilizes 187 spaces. In October 2012, STL Tower Partners, LLC executed a lease to take 100 spaces by April 1, 2014, and up to an additional 65 spaces may be requested by October 1, 2014. The Rent Commencement Date was deferred to May 1, 2014. On March 30, 2014 a rent schedule was approved for 25 spaces as of May 1, 2014; 50 spaces as of June 1, 2014; 75 spaces as of July 1, 2014 and 100 spaces as of August 1, 2014. An additional 65 spaces are available until November 1, 2014. The Board's garage operator also initiated an 11 month agreement beginning August 2013 with St. Louis University Law School for up to 350 parking spaces; the minimum number of spaces will be equal to the number of spaces being taken on September 1, 2013.

Under a lease dated November 26, 2008, the Board leased the 20,800 square feet of retail space in the NSG to SMI-NSG, LLC, an affiliate of Schnucks Markets, Inc. and DESCO. The lessee operates an urban concept grocery store, Culinaria, and pays annual rent of \$187,200. The lease is on a triple net basis. The term of the lease is 10 years with six, five-year renewal options. The Board also entered into a Parking Validation Agreement that provides store customers with free parking for one hour from nine-to-five on weekdays and two hours at all other times, as well as a provision for free employee parking for up to 336 hours per day. There also is an agreement with Schnucks Markets, Inc. to share in the additional expenses for weekend staffing of the parking garage. In August 2009, the Board funded SMI-NSG, LLC \$1.1 million of remaining NSG bond funds for tenant improvements.

The Parking Garage Fund's 750-space Seventh Street Garage began operations in February 2011. The carrying value of the garage is \$28,462,718 less accumulated depreciation of \$2,410,023 and \$1,698,455 as of June 30, 2014 and 2013, respectively. The Seventh Street Garage Public Parking Corporation (SSGPPC) executed two parking leases that became effective February 1, 2011.

The first lease is a parking lease agreement with US Bank, NA which leases 400 parking units. The term of the lease is for 30 years and there are two, 10-year renewal options. The parking rent is the greater of \$125 per month, the market rate, or the monthly contract rate as defined in the agreement, but never less than the amount in effect for the prior year. Lease payments are payable on the first of each month. The rent will be determined annually at least 30 days preceding the effective date and each anniversary date of the effective date. In addition to the base rent described above, the tenant paid supplemental rent of \$1 million (see Note 11) which was recorded as unearned revenue and is being amortized over the term of the lease.

In addition to the lease with US Bank, SSGPPC also leases parking spaces to 600 Tower, LLC. The lease covered a total of 240 parking spaces (85 reserved and 155 unreserved) upon initiation of the lease in February 2011, increasing by 15 additional unreserved spaces up each quarter to 475 units. Monthly rent is currently \$160 per reserved space and \$135 per unreserved space. Currently, the Tower takes a total of 475 spaces (89 reserved and 386 unreserved) at \$160 per reserved space and \$130-\$135 per unreserved space. Monthly rent can also be adjusted based on market rent. The term of the lease is for 30 years and there are two, 10-year renewal options. Parking lease income is reflected in the Statement of Revenues, Expenses, and Changes in Net Position as Parking garage revenues and the Schnucks Markets, Inc. retail space lease income is shown as Rental income.

13. Contributions To Others

In fiscal year 2014, the Board did not authorize any contributions to others.

In fiscal year 2013, the Board approved a grant to the Division of Workforce Development of \$5 million to provide additional funding to the Missouri Job Development Fund for the Customized Training Program. The expense is presented as contributions to others. These monies were disbursed during fiscal year 2013. Also see Note 4(b).

MDFB is the sole member of SSGPPC. Per the SSGPPC bylaws, all excess cash is transferred monthly to MDFB. In fiscal years ending June 30, 2014 and 2013, SSGPPC contributed \$512,874 and \$809,000, respectively to MDFB. The contributed revenue is netted to zero on the Statement of Net Position due to the blending of the SSGPPC component unit within the Parking Garage Fund; the contribution is shown in the Combining Schedules of Net Position for the Parking Garage Fund.

14. Lease Agreements

(a) 601 Locust Street, St. Louis, Missouri

In fiscal year 2010, MDFB purchased the entire real estate and building commonly known as St. Louis Centre (601 Locust Street in St. Louis) for approximately \$14.2 million from St. Louis Centre Building, LLC. See further information in Note 7.

MDFB, in turn, immediately leased most of Floor 2 and Floors 3-4 to SSGPPC for a term of 75 years (expiring in 2085) for a one-time lease payment of approximately \$6.4 million; and leased Floor 1 and the remainder of Floor 2 to Mercantile Exchange, Inc. (MEI), an unrelated entity, for a term of 100 years (expiring in 2110) for a one-time lease payment of approximately \$8.8 million. The leases are treated by MDFB as capital leases for accounting purposes and as a sale for income tax purposes.

MDFB classified its leases with SSGPPC and MEI as direct financing leases. MDFB received the minimum lease payments of approximately \$14.2 million upfront and will not receive any further lease payments. As a result, MDFB recorded a net investment in direct financing leases of \$0 and unearned income of \$942,730, included in unearned revenue (see Note 11). The unearned revenue will be amortized over the terms of the leases.

- **Garage Lease — SSGPPC:** SSGPPC paid MDFB base rent of approximately \$6.4 million in a lump sum upfront payment at lease inception. No further lease payments are required, although SSGPPC is required to pay costs of maintenance, operation, and repair of the property. Of the total amount, approximately \$5.5 million was capitalized as building and the difference was recorded as prepaid lease expense to be amortized over the life of the lease.

At the end of the lease term, MDFB will take ownership of the completed garage. See further information in Note 7.

- **Retail Lease — MEI:** MEI paid MDFB base rent of approximately \$8.8 million in a lump sum upfront payment at lease inception through the assignment of a promissory note from the subtenant MX Retail, LLC (MXR). MDFB assigned this promissory note without recourse to the seller of the property in order to cover a portion of the cost to acquire the property. No further lease payments are required, although MEI is required to pay costs of maintenance, operation, and repair of the retail portion of the property. MEI's subtenant is developing the leased floors into retail space, and the completion of the retail space is the responsibility of MEI. MDFB is not involved in the retail development.

At the end of the lease, MEI will deliver possession back to MDFB, unless MEI causes the building to be converted into two or more condominium units (one for the garage and one for the retail space) and exercises its option to purchase the retail space for \$100,000. MEI must meet certain conditions in order to exercise this option.

MEI subleased the retail space to MXR for 75 years. MXR does not have an option to purchase or renew the lease. Rent under the sublease is approximately \$8.8 million for which MXR provided MEI with the note receivable as an upfront payment of the amounts due under the lease. This note receivable bears interest at 1%, compounded annually through the maturity date, and is added to the balance of outstanding principal. The note, including any unpaid interest, is due and payable on the sooner of on demand or December 31, 2015. The note is secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing. The sublease does not directly impact MDFB.

(b) Office Lease Obligation

In October 2004, the Board entered into a lease with Hotel Governor of Jefferson City, LLP, to lease 3,501 square feet on the 10th Floor of the Governor Office Building. The lease is an operating lease with a term of 10 years. The Board has capitalized related tenant improvements in the amount of \$56,211. In July 2014, the Board renewed its lease for a five year term with a 5 year option. During fiscal years 2014 and 2013, rent of \$63,849 and \$61,990 was paid, respectively.

Future minimum lease payments for this lease are as follows:

	Hotel Governor
2015	\$ 65,282
2016	66,588
2017	67,920
2018	69,278
2019	70,664
2020	72,077
2021	73,519
2022	74,989
2023	76,489
2024	78,018
2025	19,601
Total minimum lease obligation	<u>\$734,424</u>

(c) Copier Lease Obligation

In December 2010 and July 2013, the Board entered into a copier lease and a color copier lease, respectively, with Gibbs Technology Leasing, LLC. The leases are accounted for as operating leases. The term of each lease is four years.

Future minimum lease payments for these leases are as follows:

	Copier	Color Copier
2015	\$4,053	\$ 4,104
2016	-	4,104
2017	-	4,104
2018	-	342
Total minimum lease obligation	\$4,053	\$12,654

(d) KC Overhaul Base Lease

In December 2004, the Board accepted a contribution from the EDC Loan Corporation (EDC), a not-for-profit organization, consisting of an assignment of a 50-year leasehold interest in the Kansas City Overhaul Base located adjacent to the Kansas City International Airport (the Overhaul Base).

EDC's contribution to the Board of the leasehold interest was valued by two independent appraisers at the lowest value of \$32 million. In return, the Board issued a total of \$16 million in contribution tax credits to EDC. These tax credits were sold in accordance with the Tax Credit Agreement to independent parties on March 3, 2005, July 2, 2005, and June 30, 2006; total proceeds were \$13.76 million. The Board paid the proceeds from the tax credit sales less the Board fee to the City to be used for the renovation of the Overhaul Base.

In addition, the City and the Board entered into an assumption agreement as of December 31, 2004, with the City assuming all responsibility and liability relating to ownership, management and operations of the Overhaul Base. As a result of this assumption of the leasehold interest by the City, the Board has no assets or liabilities related to the leasehold interest recorded in its financial statements.

In September 2010, the Board executed an Amendment to the Tax Credit Agreement containing a provision that the City will return all unexpended tax credit proceeds to the Board by September 20, 2015. As of the City's fiscal year end of April 30, 2013, the balance of the tax credit proceeds remaining is approximately \$7 million. The City expects to utilize all funds. MDFB will continue to monitor expenditures.

(e) State of Missouri Acting By and Through Its Office of Administration

In November 2005 and May 2006, the Board issued Series 2005 and 2006 Leasehold Revenue Bonds for the benefit of the State of Missouri Office Buildings Project. With the proceeds of the bonds, the Board purchased four office buildings, which it then leased on a triple net basis, to the State of Missouri through its Office of Administration (OA) for the term of the debt, 25 years, subject to annual State appropriation of lease payments needed to retire the fixed rate, level amortization bonds. The Board transferred its interests in the lease agreement and security interest in the buildings to the bond trustee through a trust indenture.

Bond payments are to be paid exclusively from rent revenues received. In addition, payment of the Series 2005 Bonds is insured by a municipal bond new issue insurance policy. The bonds do not constitute a debt or liability of the Board.

Upon request, the State has the option to purchase the buildings. Furthermore, once bonds are paid in full, ownership defers to the State. The State retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

In June 2013, the Board issued Series 2013A Leasehold Revenue Refunding Bonds (State of Missouri Office Building Projects), for \$21,820,000 to provide for the defeasance, payment and discharge of a portion of the \$28,995,000 Missouri Development Finance Board, Series 2005 Leasehold Revenue Bonds (State of Missouri Office Building Projects). Bond proceeds were placed in escrow and in October 2015, Series 2005 bonds with maturities from 2016 through 2030 will be redeemed.

In June 2013, the Board issued Series 2013B Leasehold Revenue Refunding Bonds (State of Missouri Office Building Project), for \$7,450,000 to provide for the defeasance, payment and discharge of a portion of the \$9,865,000 Missouri Development Finance Board, Series 2006 Leasehold Revenue Bonds (State of Missouri Office Building Project). Bond proceeds were placed in escrow and October 2015, Series 2006 bonds with maturities from 2016 through 2030 will be redeemed.

(f) MasterCard International Incorporated Facility Lease

In 1999, the Board issued bonds for \$154 million to fund construction of approximately 414,000 square feet of office space and an 114,000-square foot data and energy center on 52 acres in O'Fallon. In order for MasterCard to qualify for tax abatement, the Board took title to the property which it leased to the O'Fallon Public Facilities Authority (Authority). The Authority used the proceeds of the bond issue to build and equip the MasterCard project, and then leased the building to MCI O'Fallon 1999 Trust (Trust), which further subleased to MasterCard. In 2008, MasterCard exercised its option to refund the bonds. The Board issued \$160 million in conduit debt to facilitate the refunding. The refunding eliminated the Authority and the Trust and resulted in the Board leasing to MasterCard directly.

Bond payments and related interest are to be paid exclusively from rent and other revenues from the lease agreement. Such payments, revenues and receipts are pledged and assigned to the bond trustee as security for the payment of the bonds as provided in the Bond Indenture. The bonds do not constitute a debt or liability of the Board.

Upon request, MasterCard has the option to purchase the buildings. Furthermore, once bonds are paid in full, MasterCard can purchase the facility for \$10. MasterCard retains all rights and obligations of ownership of the buildings.

As a result, the Board has excluded the buildings and related debt from its financial statements.

15. Seventh Street Garage Public Parking Corporation Condensed Statements

The following provides condensed financial information for SSGPPC, the Board's blended component unit.

Statement of Net Position

	2014	2013
Current and other assets	\$ 1,401,417	\$ 1,080,438
Restricted assets	903,600	1,025,045
Capital assets	26,070,890	26,796,738
Total assets	28,375,907	28,902,221
Current liabilities	52,831	40,624
Noncurrent liabilities	30,727,045	30,760,378
Total liabilities	30,779,876	30,801,002
Net position:		
Net investment in capital assets	(3,770,044)	(3,044,196)
Restricted	889,542	1,007,849
Unrestricted	476,533	137,566
Total net position	<u><u>\$(2,403,969)</u></u>	<u><u>\$(1,898,781)</u></u>

Statement of Revenues, Expenses, and Changes in Net Position

	2014	2013
Operating Revenues:		
Rental income	\$ 33,333	\$ 33,333
Parking garage revenues	1,610,382	1,550,273
Total operating revenues	1,643,715	1,583,606
Operating Expenses:		
Professional fees	8,100	7,663
Administrative services agreement	30,000	30,000
Depreciation and amortization	725,849	725,004
Parking garage operating expenses	493,851	391,046
Total operating expenses	1,257,800	1,153,713
Operating income	385,915	429,893
Non-Operating Revenue (Expense):		
Interest on cash and investments	59	3,512
Bond expense and interest expense	(378,288)	(402,317)
Contributions to others	(512,874)	(809,000)
Total non-operating revenue (expense)	(891,103)	(1,207,805)
Change in net position	(505,188)	(777,912)
Net position - beginning	(1,898,781)	(1,120,869)
Net position - ending	<u><u>\$(2,403,969)</u></u>	<u><u>\$(1,898,781)</u></u>

Statement of Cash Flows

	2014	2013
Net cash provided (used) by:		
Operating activities	\$1,091,990	\$1,122,215
Noncapital financing activities	(512,874)	(809,000)
Capital and related financing activities	(381,426)	(402,317)
Investing activities	59	3,512
Net increase (decrease) in cash and cash equivalents	197,749	(85,590)
Beginning cash and cash equivalents	1,179,446	1,265,036
Ending cash and cash equivalents	<u><u>\$1,377,195</u></u>	<u><u>\$1,179,446</u></u>

16. Commitments And Contingencies

(a) Administrative Services Agreement

In April 2010, the Board entered into an Administrative Services Agreement with the SSGPPC. Because SSGPPC does not have employees of its own, it has agreed to pay the Board \$30,000 annually to cover the costs associated with managing and maintaining adequate records on its behalf.

(b) St. Louis Convention Center Hotel Community Improvement District and Transportation Development District

In November 2009, the Board approved a resolution to participate in the St. Louis Convention Center Hotel Community Improvement District (CID) and the St. Louis Convention Center Hotel Transportation Development District (TDD). The CID and TDD each levy a 1% sales tax. The additional sales tax is payable and held by the Board for the benefit of the Renaissance Grand Hotel and Suites, who will utilize the funds to help pay their parking lease/license obligation to MDFB for spaces in the St. Louis Convention Center Hotel Garage. Such payment will assist the parking garage's operations and maintenance. CID and TDD payments are being made directly into the Board's bank account. Payments in excess of parking rent due are held in the unearned revenue and recognized when earned (see Note 11).

Effective June 25, 2014 and July 17, 2014, MDFB staff became Board members of the St. Louis Convention Center Hotel Community Improvement District #3 and the St. Louis Convention Center Hotel Transportation Development District, respectively. As of these dates, MDFB staff is responsible for monitoring district collections, paying district expenses, as well as transferring collecting TIF funds to the City of St. Louis.

(c) Conduit Bond Issues

As of June 30, 2014, the Board has issued \$1,508,422,574 in Private Activity Bonds and \$2,201,599,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2014, were approximately \$519,690,310 and \$963,786,000, respectively.

As of June 30, 2013, the Board had issued \$1,508,422,574 in Private Activity Bonds and \$2,109,175,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2013, were approximately \$549,005,928 and \$1,066,896,000, respectively.

The Board has no liability for repayment of these revenue bonds and notes aside from second loss reserve fund deposits; accordingly, these bonds and notes have not been recorded in the accompanying financial statements. Security for the bondholders consists of the unconditional obligation of the borrowers to repay the bonds and notes and in certain cases, insurance, letters of credit, annual appropriation pledges and certain funds held through trustees under the various indentures.

(d) Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation claims. The Board carries commercial insurance for theft of assets and workers' compensation. The Board carries commercial property, comprehensive liability, and business interruption insurance policies on the St. Louis Convention Center Hotel and Ninth Street parking garages. The Board is self-insured for all other risks of loss.

The Seventh Street Garage Public Parking Corporation carries commercial property, comprehensive liability, and business interruption insurance policies on the Seventh Street Garage.

During fiscal year 2014, the Seventh Street Garage sustained a loss due to pipes breaking during extremely low temperatures. The break resulted in \$190,707 in damage to the garage which has since been repaired. The Board is in the process of meeting with engineers to insure that such an event does not happen in the future. The proceeds from the loss, net of the \$25,000 deductible, were offset against the expenses incurred.

Prior to this fiscal year, the Board had no material unpaid claims, liabilities, or settlements related to any loss in any of the past three years. No substantive changes were made in the type and amounts of the Board's insurance coverage during 2014 and 2013.

(e) DREAM Commitments

In August 2006, the Board, the Department of Economic Development (DED) and the Missouri Housing Development Commission (MHDC) initiated the DREAM program. Through June 30, 2014, 35 communities have been selected to receive technical assistance and services to support them in their downtown redevelopment efforts. The Board has contracted with Peckham Guyton Albers & Viets, Inc. to assist in the redevelopment process of the selected communities. Each community is to receive technical assistance over the course of three years. The Board is in the process of finalizing all obligations under this program. During the fiscal years ended June 30, 2014 and 2013, the Board spent approximately \$420,000 and \$600,000, respectively, towards the program. In fiscal years 2014 and 2013, MHDC contributed \$0 and \$150,000, respectively.

(f) Small Business Loan Program

In January 2009, Governor Jeremiah W. (Jay) Nixon issued Executive Order 09-03 (E.O.) shortly after assuming office. This E.O. directed the DED to work with the Board "to create a pool of funds designated for low-interest and no-interest direct loans for small businesses." Related announcements from Governor Nixon recommended this pool of funds be capitalized by a \$2 million grant from the Board. In April 2009, the Board approved funding the \$2 million program. As of June 30, 2014, the Board has loaned more than \$1.61 million to 58 small businesses across the State of Missouri. The Board continues to work with DED to loan the remaining funds. The Small Business Loan Program is reflected in the Revolving Loan Fund (RLF). Also see Note 5.

(g) Indemnity Agreement

In connection with the Seventh Street Garage Project, MDFB and SSGPPC entered into a project indemnity agreement with the LCRA and MXG. As part of the agreement, MDFB paid LCRA \$417,785 and LCRA agreed to pay all New Markets Tax Credit consulting fees and expenses. Additionally, LCRA agreed to cover excess costs in the event of changes in New Markets Tax Credit compliance or as a result of recapture. Finally, LCRA also agreed to cover unforeseen costs associated with fees, taxes, permits, litigation or costs to unwind the New Markets Tax Credit financing plan.

17. Employees' Retirement Benefits

(a) Defined Benefit Pension Plan

In September 2011, the Board joined the Missouri State Employees' Plan (MSEP). MSEP is a single-employee public employee retirement plan of the State of Missouri in accordance with RSMo Sections 104.010 and 104.312 to 104.1093. Benefits are established by and can be amended by the State of Missouri legislative process. Responsibility for the operation and administration of MSEP is vested in the Missouri State Employees' Retirement System (MOSERS) Board of Trustees. MSEP provides retirement, death, and disability benefits to participants and their beneficiaries. MSEP is considered a part of the State of Missouri financial reporting entity and is included in the State of Missouri finance trust fund. MSEP issues a stand-alone report, which may be obtained by contacting the MOSERS office located at 907 Wildwood Drive, PO Box 209, Jefferson City, MO 65102.

MSEP is accounted for and reported as a cost-sharing pension plan. MDFB paid 16.98% and 14.45% of payroll into the plan for fiscal years 2014 and 2013 for a total contribution to the plan of \$90,559 and \$80,746.

The Board made 100 percent of its actuarially determined required contributions for the fiscal years ended June 30, 2014 and 2013.

(b) Deferred Compensation Plan

Board employees are eligible to contribute to the State of Missouri's Deferred Compensation Plan. Upon completing one year of employment, employees are eligible to receive a maximum \$35 contribution per month if the employee also makes at least a \$35 contribution per month (this provision has been suspended). The Deferred Compensation Plan is an eligible state deferred compensation plan as defined by Section 457 of the Internal Revenue Code. Effective January 1, 1999, amounts deferred under the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries.

Supplementary Information

This part of the Board's comprehensive annual financial report presents the *Combining Schedule of Net Position*; *Combining Schedule of Revenues, Expenses*, and *Changes in Net Position*; and *Schedule of Cash Flows* for the Board's Parking Garage Fund and Revolving Loan Fund.

Parking Garage Fund

(pages 42-47)

- **St. Louis Convention Center Hotel Garage Fund**

The St. Louis Convention Center Hotel Garage (SLCCHG) is an 880-space garage located at 419 North 9th Street in downtown St. Louis. The Board constructed the garage to support the St. Louis Convention Center Hotel project. Activity related to the SLCCHG is reported in this column.

- **Ninth Street Garage Fund**

The Ninth Street Garage (NSG) consists of 1,050-space garage and 20,800 square feet of retail space located at 905-913 Olive Street in downtown St. Louis. The parking garage was constructed to support the renovation of the Old Post Office project and redevelopment of adjacent vacant buildings in downtown. Activity related to the NSG is reported in this column.

- **Seventh Street Garage MDFB Fund**

The Seventh Street Garage MDFB (SSG) Fund reports SSG Board activity exclusive of the SSGPPC activity, as noted below. The SSG Fund reports activity associated with the redevelopment of floors one through four and loans indirectly tied to the redevelopment of this and adjacent properties.

- **Seventh Street Garage Public Parking Corporation Fund (blended component unit):**

The Seventh Street Garage Public Parking Corporation (SSGPPC) Fund reports the activity of the 750-space parking garage located at 601 Locust Street in downtown St. Louis. The parking garage is located on floors two through four of a building commonly known as St. Louis Centre. The SSGPPC is a 501(c)(3) created to utilize the Federal New Markets Tax Credits (NMTCs) and is a qualified active low-income community business (QALICB) as required by NMTCs. SSGPPC leases the parking garage portion of the building from MDFB and owns the leasehold improvements and operates the garage.

Revolving Loan Fund

(pages 48-53)

- **Missouri Infrastructure Development Loan Program Fund (MIDOC)**

The MIDOC Fund presents activity from the MIDOC Loan Program. The MIDOC Loan Program offers long-term, low-interest loans to local political subdivisions, including public water and sewer districts, to fund infrastructure improvements. The program is structured as a revolving loan program with repayment proceeds used to provide additional loans for eligible infrastructure projects.

- **Small Business Loan Fund**

The Small Business Loan (SBL) Fund shows activity from the Board's Small Business Loan Program. The SBL Program provides long-term, low-interest direct loans for small businesses located within the State of Missouri. Loans can be used to fund capital and operational needs.

Missouri Development Finance Board

Combining Schedule of Net Position - Parking Garage Fund

June 30, 2014

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
<i>Current assets:</i>					
Cash	\$2,865,074	\$ 1,977,608	\$ 2,672,943	\$ 473,595	\$ 7,989,220
Current portion of loans and notes receivable	-	-	26,702	-	26,702
Accrued interest on investments	-	-	24,990	-	24,990
Accrued interest on loans and notes receivable	-	-	19,912	-	19,912
Prepaid expense and other assets	61,763	157,777	-	927,822	1,147,362
Total current assets	2,926,837	2,135,385	2,744,547	1,401,417	9,208,186
<i>Noncurrent assets:</i>					
Restricted assets	1,375,000	-	500,000	903,600	2,778,600
Derivative instrument - interest rate cap agreement	-	-	34,259	-	34,259
Long-term portion of loans and notes receivable	-	-	28,866,258	-	28,866,258
<i>Capital assets:</i>					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	12,154,414	24,412,299	-	26,070,890	62,637,603
Total noncurrent assets	18,234,414	26,927,038	29,400,517	26,974,490	101,536,459
Total assets	21,161,251	29,062,423	32,145,064	28,375,907	110,744,645
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	-	-	352,741	-	352,741
Liabilities					
<i>Current liabilities:</i>					
Accounts payable and other accrued liabilities	-	-	-	15,895	15,895
Accrued bond interest payable	849	-	10,603	22,878	34,330
Payable from restricted assets	-	-	-	14,058	14,058
Current portion of long-term debt	-	-	189,000	-	189,000
Total current liabilities	849	-	199,603	52,831	253,283
<i>Noncurrent liabilities:</i>					
Long-term debt	13,650,000	-	8,445,000	29,840,934	51,935,934
Unearned revenue	122,776	-	890,122	886,111	1,899,009
Total noncurrent liabilities	13,772,776	-	9,335,122	30,727,045	53,834,943
Total liabilities	13,773,625	-	9,534,725	30,779,876	54,088,226
Net Position					
Net investment in capital assets	3,209,414	26,927,038	(8,634,000)	(3,770,044)	17,732,408
<i>Restricted</i>					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for revolving loan funds	-	-	-	-	-
Restricted for program service fees	-	-	-	889,542	889,542
Unrestricted	2,803,212	2,135,385	31,097,080	476,533	36,512,210
Total net position	\$7,387,626	\$29,062,423	\$22,963,080	\$(2,403,969)	\$57,009,160

Missouri Development Finance Board

Combining Schedule of Net Position - Parking Garage Fund

June 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation Fund	Total Parking Garage Fund
Assets					
<i>Current assets:</i>					
Cash	\$1,808,867	\$ 916,608	\$ 2,113,066	\$ 154,401	\$ 4,992,942
Current portion of loans and notes receivable	-	-	26,436	-	26,436
Accrued interest on loans and notes receivable	-	-	19,934	-	19,934
Prepaid expense and other assets	146,248	82,553	-	926,037	1,154,838
Total current assets	1,955,115	999,161	2,159,436	1,080,438	6,194,150
<i>Noncurrent assets:</i>					
Restricted assets	1,375,000	-	500,000	1,025,045	2,900,045
Derivative instrument - interest rate cap agreement	-	-	69,042	-	69,042
Long-term portion of loans and notes receivable	-	-	28,892,960	-	28,892,960
<i>Capital assets:</i>					
Assets not being depreciated	4,705,000	2,514,739	-	-	7,219,739
Assets being depreciated, net	12,599,844	25,160,076	-	26,796,738	64,556,658
Total noncurrent assets	18,679,844	27,674,815	29,462,002	27,821,783	103,638,444
Total assets	20,634,959	28,673,976	31,621,438	28,902,221	109,832,594
Deferred Outflows of Resources					
Accumulated decrease in fair value of hedging derivatives	-	-	317,958	-	317,958
Liabilities					
<i>Current liabilities:</i>					
Accounts payable and other accrued liabilities	17,359	7,734	14,094	550	39,737
Accrued bond interest payable	1,243	-	10,604	22,878	34,725
Payable from restricted assets	-	-	-	17,196	17,196
Current portion of long-term debt	-	-	180,000	-	180,000
Total current liabilities	18,602	7,734	204,698	40,624	271,658
<i>Noncurrent liabilities:</i>					
Long-term debt	15,350,000	-	8,634,000	29,840,934	53,824,934
Unearned revenue	-	-	902,748	919,444	1,822,192
Total noncurrent liabilities	15,350,000	-	9,536,748	30,760,378	55,647,126
Total liabilities	15,368,602	7,734	9,741,446	30,801,002	55,918,784
Net Position					
Net investment in capital assets	1,954,844	27,674,815	(8,814,000)	(3,044,196)	17,771,463
<i>Restricted</i>					
Restricted for debt service	1,375,000	-	500,000	-	1,875,000
Restricted for program service fees	-	-	-	1,007,849	1,007,849
Unrestricted	1,936,513	991,427	30,511,950	137,566	33,577,456
Total net position	\$5,266,357	\$28,666,242	\$22,197,950	\$(1,898,781)	\$54,231,768

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Parking Garage Fund For the Year Ended June 30, 2014

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Operating Revenues					
Interest income on loans and notes receivable	\$ -	\$ -	\$ 346,906	\$ -	\$ 346,906
Rental income	-	187,200	12,626	33,333	233,159
Administrative services revenue	-	-	30,000	-	30,000
Parking garage revenues	1,883,092	1,479,778	-	1,610,382	4,973,252
Total operating revenues	1,883,092	1,666,978	389,532	1,643,715	5,583,317
Operating Expenses					
Professional fees	30,217	-	800	8,100	39,117
Administrative services agreement	-	-	-	30,000	30,000
Travel	36	-	-	-	36
Supplies and other	211	108	-	-	319
Depreciation and amortization	447,726	749,154	-	725,849	1,922,729
Parking garage operating expenses	638,374	521,595	-	493,851	1,653,820
Miscellaneous	1,500	30	-	-	1,530
Total operating expenses	1,118,064	1,270,887	800	1,257,800	3,647,551
Operating income	765,028	396,091	388,732	385,915	1,935,766
Non-Operating Revenue (Expense)					
Interest on cash and investments	12	90	18,659	59	18,820
Bond interest expense	(12,121)	-	(138,085)	(274,537)	(424,743)
Bond expense	(181,651)	-	(2,650)	(103,751)	(288,052)
Contributions to others	-	-	(14,400)	(512,874)	(527,274)
Contribution from SSGPPC	-	-	512,874	-	512,874
Total non-operating revenue (expense)	(193,760)	90	376,398	(891,103)	(708,375)
Total income (loss)	571,268	396,181	765,130	(505,188)	1,227,391
Interfund Transfers	1,550,001	-	-	-	1,550,001
Change in net position	2,121,269	396,181	765,130	(505,188)	2,777,392
Net position - beginning	5,266,357	28,666,242	22,197,950	(1,898,781)	54,231,768
Net position - ending	\$7,387,626	\$29,062,423	\$22,963,080	\$(2,403,969)	\$57,009,160

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Parking Garage Fund For the Year Ended June 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Operating Revenues					
Interest income on loans and notes receivable	\$ -	\$ -	\$ 346,856	\$ -	\$ 346,856
Rental income	-	187,200	12,626	33,333	233,159
Other income	5,614	-	-	-	5,614
Administrative services revenue	-	-	30,000	-	30,000
Parking garage revenues	1,582,857	1,238,889	-	1,550,273	4,372,019
Total operating revenues	1,588,471	1,426,089	389,482	1,583,606	4,987,648
Operating Expenses					
Professional fees	17,559	(1,766)	9,541	7,663	32,997
Administrative services agreement	-	-	-	30,000	30,000
Travel	800	-	231	-	1,031
Supplies and other	97	6	6	-	109
Depreciation and amortization	448,437	751,988	-	725,004	1,925,429
Parking garage operating expenses	568,202	499,580	-	391,046	1,458,828
Miscellaneous	1,500	13	395	-	1,908
Total operating expenses	1,036,595	1,249,821	10,173	1,153,713	3,450,302
Operating income	551,876	176,268	379,309	429,893	1,537,346
Non-Operating Revenue (Expense)					
Interest on cash and investments	15	-	3,871	3,512	7,398
Bond interest expense	(25,046)	-	(130,177)	(274,537)	(429,760)
Bond expense	(181,058)	(2,412)	(9,000)	(127,780)	(320,250)
Contributions to others	-	-	(5,014,400)	(809,000)	(5,823,400)
Contribution from SSGPPC	-	-	809,000	-	809,000
Total non-operating revenue (expense)	(206,089)	(2,412)	(4,340,706)	(1,207,805)	(5,757,012)
Total income (loss)	345,787	173,856	(3,961,397)	(777,912)	(4,219,666)
Change in net position	345,787	173,856	(3,961,397)	(777,912)	(4,219,666)
Net position - beginning	4,920,570	28,492,386	26,159,347	(1,120,869)	58,451,434
Net position - ending	\$5,266,357	\$28,666,242	\$22,197,950	\$(1,898,781)	\$54,231,768

Missouri Development Finance Board

Combining Schedule of Cash Flows - Parking Garage Fund For the Year Ended June 30, 2014

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Cash Flows From Operating Activities					
Receipts from customers and users	\$2,078,028	\$1,675,224	\$ 376,928	\$1,610,382	\$5,740,562
Payments to suppliers	(675,372)	(612,936)	(14,894)	(518,391)	(1,821,593)
Net cash provided by operating activities	1,402,656	1,062,288	362,034	1,091,991	3,918,969
Cash Flows From Noncapital Financing Activities					
Contributions to others	-	-	(14,400)	-	(14,400)
Interfund transfers	1,550,001	-	-	-	1,550,001
Contributions from SSGPPC to MDFB	-	-	512,874	(512,874)	-
Net cash provided (used) by noncapital financing activities	1,550,001	-	498,474	(512,874)	1,535,601
Cash Flows From Capital and Related Financing Activities					
Bond principal paid	(1,700,000)	-	(180,000)	-	(1,880,000)
Bond interest and fees paid	(194,166)	-	(140,735)	(381,427)	(716,328)
Acquisition of buildings and equipment	(2,296)	(1,378)	-	-	(3,674)
Net cash used by capital and related financing activities	(1,896,462)	(1,378)	(320,735)	(381,427)	(2,600,002)
Cash Flows From Investing Activities					
Purchases of investments	-	-	(1,062,120)	-	(1,062,120)
Interest on cash and investments	12	90	(6,331)	59	(6,170)
Receipt of loan payments	-	-	26,435	-	26,435
Net cash provided (used) by investing activities	12	90	(1,042,016)	59	(1,041,855)
Net increase (decrease) in cash and cash equivalents	1,056,207	1,061,000	(502,243)	197,749	1,812,713
Cash and cash equivalents - June 30, 2013	3,183,867	916,608	2,613,066	1,179,446	7,892,987
Cash and cash equivalents - Current	\$4,240,074	\$1,977,608	\$2,110,823	\$1,377,195	\$9,705,700
<i>Reconciliation of operating income to net cash provided by operating activities:</i>					
Operating income	\$ 765,028	\$ 396,091	\$388,732	\$ 385,915	\$1,935,766
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>					
Depreciation and amortization expenses	447,726	749,154	-	725,849	1,922,729
(Increase) decrease in accrued interest on loans and notes receivable	-	-	22	-	22
(Increase) decrease in prepaid expenses and other assets	(7,163)	(75,224)	-	(1,785)	(84,172)
Increase (decrease) in accounts payable and accrued liabilities	(17,359)	(7,733)	(14,094)	15,345	(23,841)
Increase (decrease) in unearned revenue	214,424	-	(12,626)	(33,333)	168,465
Total adjustments	637,628	666,197	(26,698)	706,076	1,983,203
Net cash provided by operating activities	\$1,402,656	\$1,062,288	\$ 362,034	\$1,091,991	\$3,918,969
<i>Reconciliation of cash and cash equivalents to the statement of net position</i>					
Cash	\$2,865,074	\$1,977,608	\$2,672,943	\$473,595	\$7,989,220
Restricted assets	1,375,000	-	500,000	903,600	2,778,600
Less: Restricted investments	-	-	(1,062,120)	-	(1,062,120)
Total cash and cash equivalents	\$4,240,074	\$1,977,608	\$2,110,823	\$1,377,195	\$9,705,700

Missouri Development Finance Board

Combining Schedule of Cash Flows - Parking Garage Fund For the Year Ended June 30, 2013

	St. Louis Convention Center Hotel Garage Fund	Ninth Street Garage Fund	Seventh Street Garage MDFB Fund	Seventh Street Garage Public Parking Corporation	Total Parking Garage Fund
Cash Flows From Operating Activities					
Receipts from customers and users	\$1,515,613	\$1,410,489	\$ 385,670	\$1,550,271	\$4,862,043
Payments to suppliers and lessors	(687,701)	(582,443)	(34,486)	(428,056)	(1,732,686)
Contributions due to others	-	-	(5,000,000)	-	(5,000,000)
Net cash provided (used) by operating activities	827,912	828,046	(4,648,816)	1,122,215	(1,870,643)
Cash Flows From Noncapital Financing Activities					
Contributions from SSGPPC to MDFB	-	-	809,000	(809,000)	-
Net cash provided (used) by noncapital financing activities	-	-	809,000	(809,000)	-
Cash Flows From Capital and Related Financing Activities					
Long-term debt principal paid	-	-	(172,000)	-	(172,000)
Long-term debt expense and interest paid	(207,462)	(2,412)	(160,448)	(402,317)	(772,639)
Acquisition of buildings and equipment	(64,494)	-	-	-	(64,494)
Net cash used by capital and related financing activities	(271,956)	(2,412)	(332,448)	(402,317)	(1,009,133)
Cash Flows From Investing Activities					
Maturities of investments	-	-	1,794,240	-	1,794,240
Interest on cash and investments	15	-	3,927	3,512	7,454
Receipt of loan payments	-	-	26,173	-	26,173
Net cash provided by investing activities	15	-	1,824,340	3,512	1,827,867
Net increase (decrease) in cash and cash equivalents	555,971	825,634	(2,347,924)	(85,590)	(1,051,909)
Cash and cash equivalents - July 30, 2012	2,627,896	90,974	4,960,990	1,265,036	8,944,896
Cash and cash equivalents - Current	\$3,183,867	\$ 916,608	\$ 2,613,066	\$1,179,446	\$7,892,987
<i>Reconciliation of operating income to net cash provided by operating activities:</i>					
Operating income	\$551,876	\$ 176,268	\$379,309	\$429,893	\$1,537,346
<i>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</i>					
Depreciation and amortization expenses	\$448,437	\$ 751,988	\$ -	\$725,004	\$1,925,429
(Increase) decrease in accrued interest on loans and notes receivable	-	-	8,813	-	8,813
(Increase) decrease in prepaid expenses and other assets	(116,902)	(74,977)	-	8,902	(182,977)
Increase (decrease) in accounts payable and accrued liabilities	17,359	(9,633)	(5,024,313)	(8,249)	(5,024,836)
Increase (decrease) in deferred charges	(72,858)	(15,600)	(12,625)	(33,335)	(134,418)
Total adjustments	276,036	651,778	(5,028,125)	692,322	(3,407,989)
Net cash provided (used) by operating activities	\$ 827,912	\$ 828,046	\$(4,648,816)	\$1,122,215	\$(1,870,643)
Reconciliation of cash and cash equivalents to the statement of net position					
Cash	\$1,808,867	\$ 916,608	\$ 2,113,066	\$154,401	\$4,992,942
Restricted assets	1,375,000	-	500,000	1,025,045	2,900,045
Total cash and cash equivalents	\$3,183,867	\$ 916,608	\$ 2,613,066	\$1,179,446	\$7,892,987

Missouri Development Finance Board

Combining Schedule of Net Position - Revolving Loan Fund

June 30, 2014

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
<i>Current assets:</i>			
Current portion of loans and notes receivable	\$ 94,598	\$ 123,715	\$ 218,313
Accrued interest on investments	6,195	-	6,195
Accrued interest on loans and notes receivable	14,864	-	14,864
Total current assets	115,657	123,715	239,372
<i>Noncurrent assets:</i>			
Restricted Assets - Cash available on loan	1,514,802	1,064,046	2,578,848
Long-term portion of loans and notes receivable	1,204,757	691,831	1,896,588
Total noncurrent assets	2,719,559	1,755,877	4,475,436
Total assets	2,835,216	1,879,592	4,714,808
Liabilities			
<i>Current liabilities:</i>			
Accounts payable and other accrued liabilities	-	54	54
Total current liabilities	-	54	54
Total liabilities	-	54	54
Net Position			
<i>Restricted</i>			
Restricted for revolving loan funds	2,835,216	1,879,538	4,714,754
Total net position	\$2,835,216	\$1,879,538	\$4,714,754

Missouri Development Finance Board

Combining Schedule of Net Position - Revolving Loan Fund June 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Assets			
<i>Current assets:</i>			
Current portion of loans and notes receivable	\$ 94,598	\$ 126,198	\$ 220,796
Accrued interest on loans and notes receivable	9,515	-	9,515
Total current assets	104,113	126,198	230,311
<i>Noncurrent assets:</i>			
Restricted Assets - Cash available to loan	1,812,383	933,939	2,746,322
Long-term portion of loans and notes receivable	872,665	837,397	1,710,062
Total noncurrent assets	2,685,048	1,771,336	4,456,384
Total assets	\$2,789,161	\$1,897,534	\$4,686,695
Liabilities			
<i>Current liabilities:</i>			
Accounts payable and other accrued liabilities	-	260	260
Total current liabilities	-	260	260
Total liabilities	-	260	260
Net Position			
<i>Restricted</i>			
Restricted for revolving loan funds	2,789,161	1,897,274	4,686,435
Total net position	\$2,789,161	\$1,897,274	\$4,686,435

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Revolving Loan Fund For the Year Ended June 30, 2014

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating Revenues			
Interest income on loans and notes receivable	\$ 35,841	\$ 25,121	\$ 60,962
Other income	2,989	6,005	8,994
Total operating revenues	38,830	31,126	69,956
Operating Expenses			
Professional fees	-	667	667
Supplies and other	-	114	114
Bad debt expense	-	48,570	48,570
Total operating expenses	-	49,351	49,351
Operating income (loss)	38,830	(18,225)	20,605
Non-Operating Revenue			
Interest on cash and investments	7,225	489	7,714
Total non-operating revenue	7,225	489	7,714
Change in net position	46,055	(17,736)	28,319
Net position - beginning	2,789,161	1,897,274	4,686,435
Net position - ending	\$2,835,216	\$1,879,538	\$4,714,754

Missouri Development Finance Board

Combining Schedule of Revenues, Expenses, and Changes in Net Position - Revolving Loan Fund
For the Year Ended June 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Operating Revenues			
Interest income on loans and notes receivable	\$ 23,716	\$ 28,264	\$ 51,980
Other income	44	5,093	5,137
Total operating revenues	23,760	33,357	57,117
Operating Expenses			
Professional fees	-	1,727	1,727
Supplies and other	93	73	166
Bad debt expense	11,977	19,364	31,341
Total operating expenses	12,070	21,164	33,234
Operating income	11,690	12,193	23,883
Non-Operating Revenue			
Interest on cash and investments	1,050	504	1,554
Total non-operating revenue	1,050	504	1,554
Change in net position	12,740	12,697	25,437
Net position - beginning	2,776,421	1,884,577	4,660,998
Net position - ending	\$2,789,161	\$1,897,274	\$4,686,435

Missouri Development Finance Board

Combining Schedule of Cash Flows - Revolving Loan Fund For the Year Ended June 30, 2014

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 33,480	\$ 31,126	\$ 64,606
Payments to suppliers and lessors	-	(987)	(987)
Net cash provided by operating activities	33,480	30,139	63,619
Cash Flows From Investing Activities			
Purchases of investments	(1,007,690)	-	(1,007,690)
Interest on cash and investments	1,030	489	1,519
Disbursement of loan proceeds	(417,300)	(46,981)	(464,281)
Receipt of loan payments	85,209	146,460	231,669
Net cash provided (used) by investing activities	(1,338,751)	99,968	(1,238,783)
Net increase (decrease) in cash and cash equivalents	(1,305,271)	130,107	(1,175,164)
Cash and cash equivalents - June 30, 2013	1,812,383	933,939	2,746,322
Cash and cash equivalents - Current	\$ 507,112	\$1,064,046	\$ 1,571,158
<i>Reconciliation of operating income to net cash provided by operating activities:</i>			
Operating income	\$ 38,830	\$ (18,225)	\$ 20,605
<i>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</i>			
Adjustment to allowance for bad debt	-	48,570	48,570
(Increase) decrease in accrued interest on loans and notes receivable	(5,350)	-	(5,350)
Increase (decrease) in accounts payable and accrued liabilities	-	(206)	(206)
Total adjustments	(5,350)	48,364	43,014
Net cash provided by operating activities	\$33,480	\$30,139	\$63,619
<i>Reconciliation of cash and cash equivalents to the statement of net position:</i>			
Restricted assets			
Restricted assets - MIDOC program funds	\$ 1,514,802	\$ -	\$ 1,514,802
Less: restricted investments with original maturity of greater than 90 days	(1,007,690)	-	(1,007,690)
Restricted assets - Small Business program funds	-	1,064,046	\$ 1,064,046
Total cash and cash equivalents	\$ 507,112	\$1,064,046	\$ 1,571,158

Missouri Development Finance Board

Combining Schedule of Cash Flows - Revolving Loan Fund For the Year Ended June 30, 2013

	MIDOC Fund	Small Business Loan Fund	Total Revolving Loan Fund
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 33,953	\$ 28,668	\$ 62,621
Payments to suppliers and lessors	(93)	(2,186)	(2,279)
Net cash provided by operating activities	33,860	26,482	60,342
Cash Flows From Investing Activities			
Interest on cash and investments	1,050	504	1,554
Disbursement of loan proceeds	-	(34,321)	(34,321)
Receipt of loan payments	103,866	194,272	298,138
Net cash provided by investing activities	104,916	160,455	265,371
Net increase in cash and cash equivalents	138,776	186,937	325,713
Cash and cash equivalents - June 30, 2012	1,673,607	747,002	2,420,609
Cash and cash equivalents - Current	\$1,812,383	\$933,939	\$2,746,322
<i>Reconciliation of operating income to net cash provided by operating activities:</i>			
Operating income	\$ 11,690	\$ 12,193	\$ 23,883
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>			
Increase (decrease) in allowance for bad debt	(44)	14,675	14,631
(Increase) decrease in accrued interest on loans and notes receivable	22,214	-	22,214
Increase (decrease) in accounts payable and accrued liabilities	-	(386)	(386)
Total adjustments	22,170	14,289	36,459
Net cash provided by operating activities	\$ 33,860	\$ 26,482	\$ 60,342
<i>Reconciliation of cash and cash equivalents to the statement of net position:</i>			
Cash	\$ -	\$ -	\$ -
Restricted assets	1,812,383	933,939	2,746,322
Total cash and cash equivalents	\$1,812,383	\$933,939	\$2,746,322

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Statistical Section

Missouri Development Finance Board
A Component Unit of the State of Missouri

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

Statistical Section (Unaudited)

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health. The Board is a discretely presented component unit of the State of Missouri as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity. Based on GASB No. 61, some of the accompanying statistical section segments will include references to the State of Missouri. Such segments will be noted as such. All other information is to be deemed as attributable to the Board, and does not reflect the financial position and results of operations of the State.

- **Financial Trends** - These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Net Position by Component	56-57
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- **Revenue Capacity** - These schedules contain information to help the reader assess the factors affecting the Board's ability to generate its own source income.

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- **Debt Capacity** - These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

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- **Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place. Due to the fact that the Board was established to serve the State of Missouri, and is a component unit as defined by Government Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting Entity, demographic and economic information for the State of Missouri will be presented in this section.

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- **Operating Information** - These schedules contain information about the Board's operations and resources to help the reader understand how the Board's financial information relates to the services the Board provides and the activities it performs.

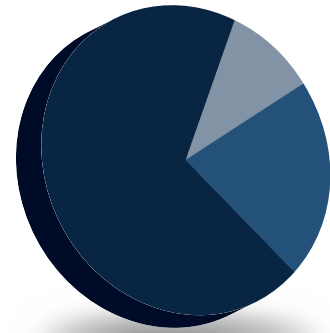
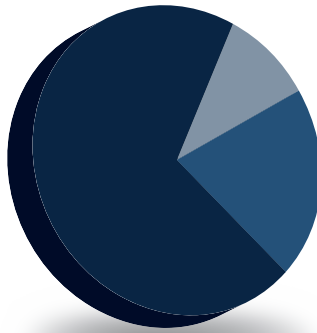
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Missouri Development Finance Board

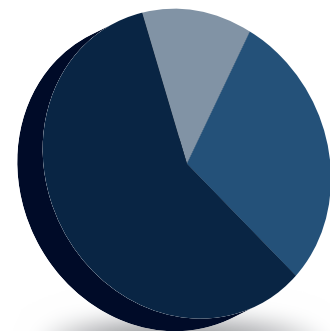
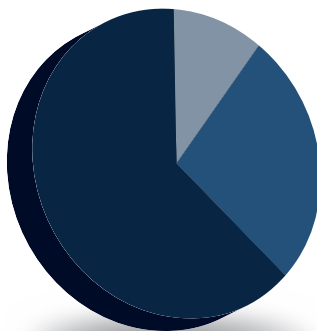
Schedule of Net Position By Component

Fiscal Years 2005 to 2014

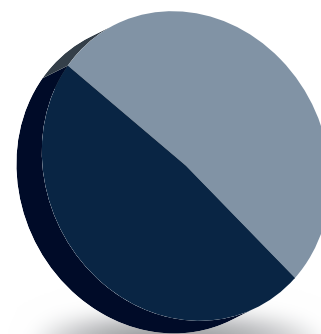
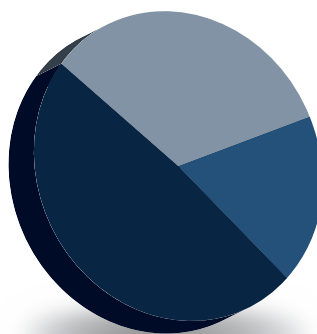
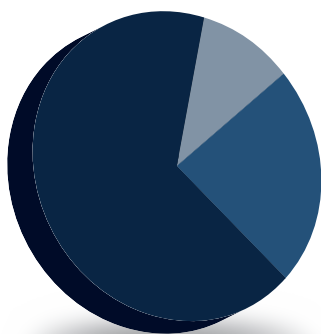
	2014		2013	
	\$	%	\$	%
Net investment in capital assets	\$17,753,127	20.38%	\$17,801,907	21.30%
Restricted	8,407,066	9.65%	8,069,284	9.66%
Unrestricted	60,932,952	69.96%	57,703,168	69.04%
	<u>\$87,093,145</u>	<u>100.00%</u>	<u>\$83,574,359</u>	<u>100.00%</u>



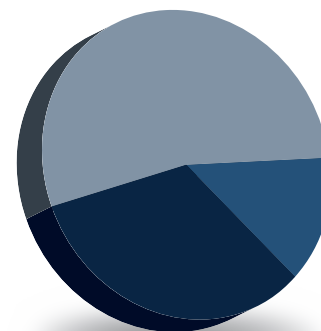
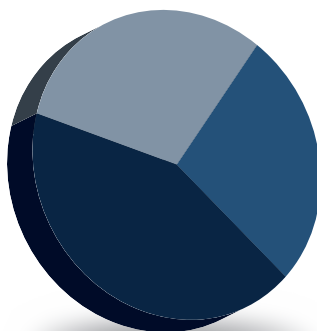
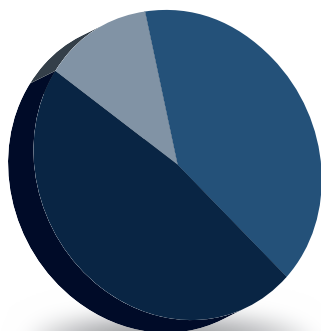
	2009		2008	
	\$	%	\$	%
Net investment in capital assets	\$20,069,761	26.78%	\$20,321,656	29.36%
Restricted	7,410,706	9.89%	8,428,168	12.18%
Unrestricted	47,452,756	63.33%	40,458,398	58.46%
	<u>\$74,933,223</u>	<u>100.00%</u>	<u>\$69,208,222</u>	<u>100.00%</u>



2012		2011		2010	
\$	%	\$	%	\$	%
\$19,499,463	23.20%	\$15,196,313	18.17%	\$70,973	0.08%
8,668,115	10.32%	27,868,870	33.32%	45,267,090	51.77%
55,847,527	66.47%	40,567,366	48.51%	42,097,604	48.15%
\$84,015,105	100.00%	\$83,632,549	100.00%	\$87,435,667	100.00%



2007		2006		2005	
\$	%	\$	%	\$	%
\$30,561,762	40.18%	\$19,317,590	27.07%	\$9,493,788	13.66%
9,374,562	12.33%	21,839,950	30.61%	37,282,046	53.65%
36,118,289	47.49%	30,192,521	42.32%	22,712,166	32.69%
\$76,054,613	100.00%	\$71,350,061	100.00%	\$69,488,000	100.00%



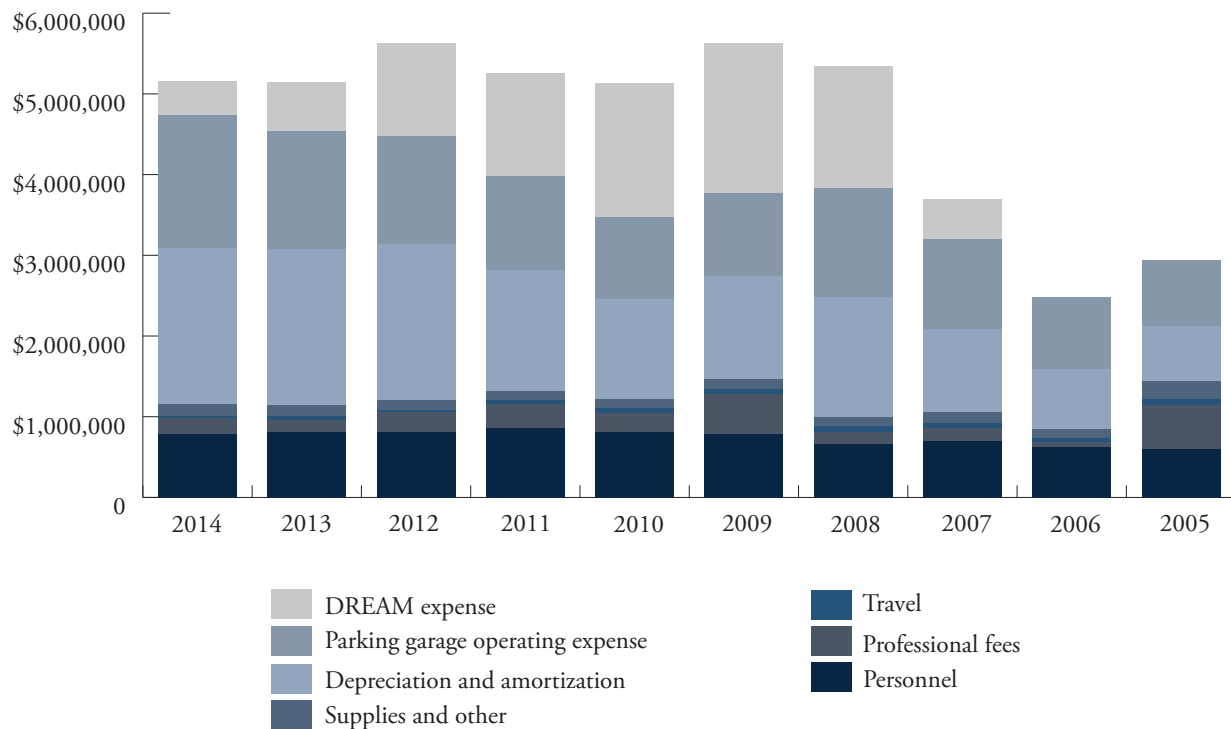
Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Expenses by Function Fiscal Years 2005 to 2013

	2014	2013	2012	2011	2010
Operating expenses					
Personnel	\$ 784,481	\$ 806,177	\$ 811,731	\$ 863,310	\$ 809,289
Professional fees	195,910	155,546	238,806	291,826	233,485
Travel	29,058	37,872	36,678	47,448	59,337
Supplies and other	138,550	140,480	116,711	118,594	116,152
Depreciation and amortization	1,936,745	1,941,705	1,936,144	1,490,679	1,231,998
Parking garage operating expense	1,653,820	1,458,828	1,325,879	1,174,816	1,020,824
DREAM expense	419,632 ₁	603,238 ₂	1,158,332 ₃	1,272,301 ₄	1,663,518 ₅
Bad debt and miscellaneous	115,430	120,642	101,992	174,466	97,642
Total operating expenses	5,273,626	5,264,488	5,726,273	5,433,440	5,232,245
Non-operating expenses					
Interest and bond expense	712,795	750,010	1,227,098	1,005,485	705,815
Research and development expense	-	-	-	-	35,350
Contributions to others	14,400	5,014,400	-	5,000,000	-
Total non-operating expenses	727,195	5,764,410	1,227,098	6,005,485	741,165
Total expenses	\$6,000,821	\$11,028,898	\$6,953,371	\$11,438,925	\$5,973,410



	2009	2008	2007	2006	2005
Operating expenses					
Personnel	\$ 786,596	\$ 658,415	\$ 697,353	\$ 623,541	\$ 603,068
Professional fees	490,168	155,086	161,182	56,754	544,589
Travel	67,536	70,355	58,646	59,265	70,375
Supplies and other	113,348	109,176	144,828	110,242	222,613
Depreciation and amortization	1,279,643	1,492,209	1,024,531	743,372	683,016
Parking garage operating expense	1,032,951	1,348,926	1,115,373	883,789	813,265
DREAM expense	1,856,262	1,501,079	495,312	-	-
Bad debt and miscellaneous	153,211 ⁶	126,076 ⁷	205,122 ⁸	3,527,826 ⁹	9,492,203 ¹⁰
Total operating expenses	5,779,715	5,461,322	3,902,347	6,004,789	12,429,129
Non-operating expenses					
Interest and bond expense	878,092	1,442,893	936,157	733,823	550,946
Research and development expense	-	-	-	-	-
Contributions to others	1,600,000	10,713,892	-	-	-
Total non-operating expenses	2,478,092	12,156,785	936,157	733,823	550,946
Total expenses	\$8,257,807	\$17,618,107	\$4,838,504	\$6,738,612	\$12,980,075

¹ Includes bad debt expense of \$48,570

² Includes bad debt expense of \$31,341

³ Includes bad debt expense of \$19,036

⁴ Includes bad debt expense of \$111,013

⁵ Includes bad debt expense of \$0

⁶ Includes bad debt expense of \$80,001

⁷ Includes bad debt expense of \$105,929

⁸ Includes bad debt expense of \$138,806

⁹ Includes bad debt expense of \$3,498,074

¹⁰ Includes bad debt expense of \$9,356,822

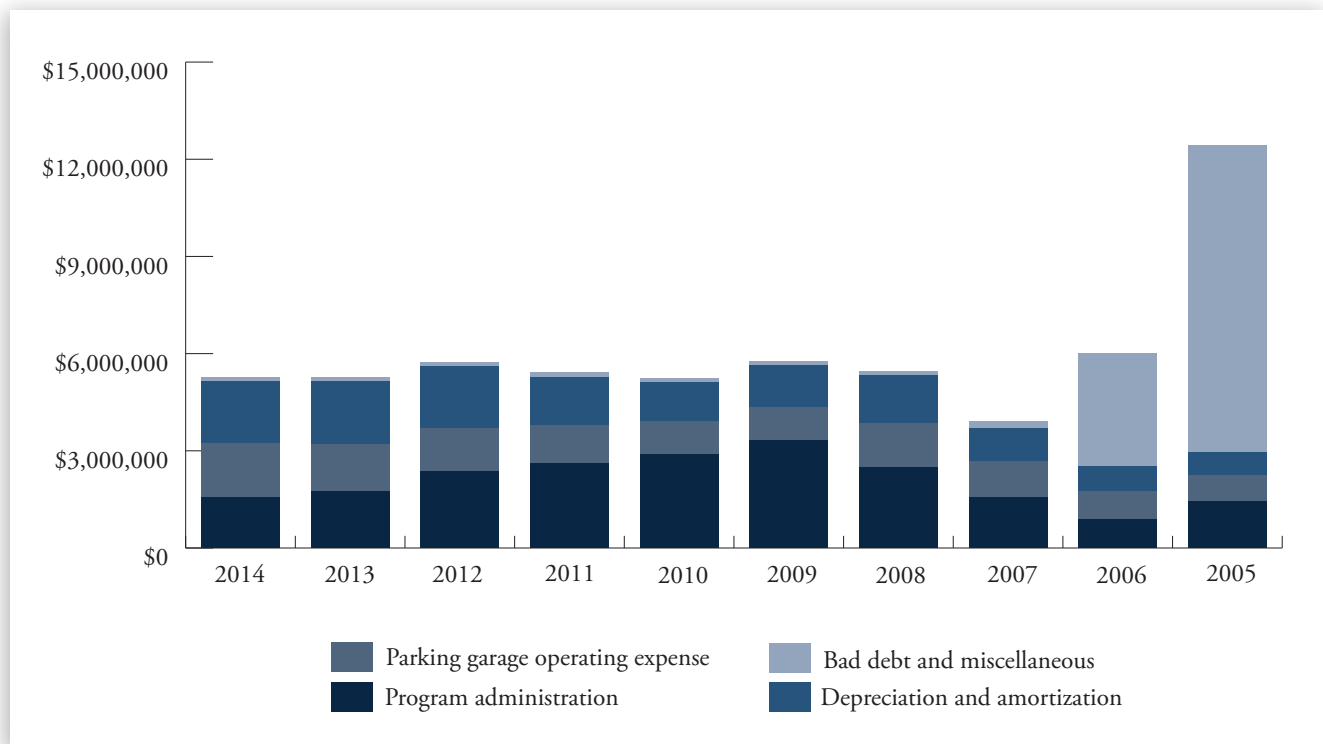
Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Expenses by Identifiable Activity Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Operating expenses					
Program administration	\$ 1,567,631	\$ 1,743,313	\$2,362,258	\$ 2,593,479	\$2,881,781
Parking garage operating expense	1,653,820	1,458,828	1,325,879	1,174,816	1,020,824
Depreciation and amortization	1,936,745 ¹	1,941,705 ²	1,936,144 ³	1,490,679 ⁴	1,231,998 ⁵
Bad debt and miscellaneous	115,430	120,642	101,992	174,466	97,642
Total operating expenses	5,273,626	5,264,488	5,726,273	5,433,440	5,232,245
Non-operating expenses					
Interest and bond expense	712,795	750,010	1,227,098	1,005,485	705,815
Research and development expense	-	-	-	-	35,350
Contributions to others	14,400	5,014,400	-	5,000,000	-
Total non-operating expenses	6,000,821	5,764,410	1,227,098	6,005,485	741,165
Total expenses	\$11,028,898	\$11,028,898	\$6,953,371	\$11,438,925	\$5,973,410



	2009	2008	2007	2006	2005
Operating expenses					
Program administration	\$3,313,910	\$ 2,494,111	\$1,557,321	\$ 879,554	\$ 1,440,645
Parking garage operating expense	1,032,951	1,348,926	1,115,373	883,789	813,265
Depreciation and amortization	1,279,643	1,492,209	1,024,531	743,372	683,016
Bad debt and miscellaneous	153,211 ⁶	126,076 ⁷	205,122 ⁸	3,498,074 ⁹	9,492,203
Total operating expenses	5,779,715	5,461,322	3,902,347	6,004,789	12,429,129
Non-operating expenses					
Interest and bond expense	878,092	1,442,893	936,157	733,823	550,946
Research and development expense	-	-	-	-	-
Contributions to others	1,600,000	10,713,892	-	-	-
Total non-operating expenses	2,478,092	12,156,785	936,157	733,823	550,946
Total expenses	\$8,257,807	\$17,618,107	\$4,838,504	\$6,738,612	\$12,980,075

¹ Includes bad debt expense of \$48,570

² Includes bad debt expense of \$31,341

³ Includes bad debt expense of \$19,036

⁴ Includes bad debt expense of \$111,013

⁵ Includes bad debt expense of \$0

⁶ Includes bad debt expense of \$80,001

⁷ Includes bad debt expense of \$105,929

⁸ Includes bad debt expense of \$138,806

⁹ Includes bad debt expense of \$3,498,074

¹⁰ Includes bad debt expense of \$9,356,822

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Revenues by Source Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Operating revenues					
Participation fees - Private Activity Bonds	\$ -	\$ 50,000	\$ 36,175	\$ 47,500	\$ 115,000
Participation fees - Public Activity Bonds	147,608	428,732	226,951	75,000	112,122
Participation fees - Notes Receivable	-	-	-	-	5,000
Participation fees - Tax Credits	2,218,088	554,792	889,337	1,227,639	2,787,360
Participation fees - BUILD Missouri	743,302	3,724,025	479,239	670,288	855,547
Participation fees - MODESA	-	25,000	-	-	-
Interest income on loans and notes receivable	572,347	570,472	593,558	932,215	289,535
Rental income	233,159	233,159	233,060	215,918	169,795
Contractual income	74,444	70,000	70,000	70,000	69,782
DREAM revenues	68,663	271,426	554,527	826,170	924,639
Parking garage revenues	4,973,252	4,372,019	3,829,013	3,106,486	2,599,226
Other income	274,207	260,817	355,320	239,999	234,503
Total operating revenues	9,305,070	10,560,442	7,267,180	7,411,215	8,162,509
Non-operating revenues					
Interest on cash and investments	214,537	27,710	68,747	224,592	313,345
Total revenues	\$9,519,607	\$10,588,152	\$7,335,927	\$7,635,807	\$8,475,854

	2009	2008	2007	2006	2005
Operating revenues					
Participation fees - Loan Guarantee	\$ -	\$ -	\$ 1,955	\$ 1,955	\$ 7,820
Participation fees - Private Activity Bonds	158,160	137,750	251,000	-	111,240
Participation fees - Public Activity Bonds	352,308	161,876	186,695	191,833	215,113
Participation fees - Notes Receivable	2,162	-	5,000	-	-
Participation fees - Tax Credits	1,498,369	2,443,355	1,912,449	321,987	420,563
Participation fees - BUILD Missouri	464,964	307,438	245,918	562,584	318,617
Participation fees - Tax Abatement	-	-	-	2,500	-
Participation fees - MODESA	-	25,000	-	-	25,000
Interest income on loans and notes receivable	160,837	316,786	432,415	325,338	232,851
Rental income	25,008	25,008	25,008	25,008	25,057
Contractual income	77,210	75,990	68,757	61,342	60,648
DREAM revenues	873,330	809,894	-	-	-
Parking garage revenues	3,080,901	3,623,164	2,743,209	2,259,686	1,815,481
Other income	43,362	311,728	373,565	119,272	54,010
Total operating revenues	6,736,611	8,237,989	6,245,971	3,871,505	3,286,400
Adjustment to allowance for notes receivable	6,114,405	-	-	-	-
Non-operating revenues					
Interest on cash and investments	1,131,792	2,533,726	3,072,083	2,129,169	1,241,632
Total revenues	\$13,982,808	\$10,771,715	\$9,318,054	\$6,000,674	\$4,528,032

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Schedule of Other Changes in Net Position

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Income (loss) before other changes in net position	\$3,518,786	\$(440,746)	\$382,556	\$(3,803,118)	\$ 2,502,444
Contributed revenue	-	-	-	-	10,000,000
Total change in net position	\$3,518,786	\$(440,746)	\$382,556	\$(3,803,118)	\$12,502,444

	2009	2008	2007	2006	2005
Income (loss) before other changes in net position	\$5,725,001	\$(6,846,391)	\$4,479,551	\$ (737,939)	\$(8,452,142)
Contributed revenue	-	-	225,000	2,600,000	20,514,142
Total change in net position	\$5,725,001	\$(6,846,391)	\$4,704,551	\$1,862,061	\$12,062,000

Missouri Development Finance Board

Parking Garage Space and Rate Information - Principal Parking Garage Lessees Fiscal Years 2005 to 2014

	2014		2013		2012		2011	
	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
St. Louis Convention Center Hotel Garage Leases (880-space parking garage)								
Renaissance Grand Hotel*	375	\$167	375	\$123	375	\$123	375	\$123
Merchandise Mart*	18	105	20	105	20	105	20	105
Roberts Old School House Lofts, LP - reserved spaces	-	n/a	-	n/a	50	125	32	125
STL Loft Partners, LLC	65	130	40	125	-	n/a	-	n/a
Lennox Suites, LLC	50	105						
	508		435		445		427	
Ninth Street Garage Leases (1,050-space parking garage)								
Court of Appeals - reserved spaces	13	\$115	13	\$115	13	\$115	13	\$115
Court of Appeals - unreserved spaces	20	99	20	99	20	99	20	99
Webster University - unreserved spaces	30	105	30	100	30	100	30	100
Frisco Associates - unreserved spaces	100	105	100	100	100	100	100	100
Pyramid Construction assigned to Paul Brown Developer, LP - reserved spaces	75	130	75	125	75	125	75	125
Roberts Old School House Lofts, LP - reserved spaces	-	n/a	-	n/a	-	n/a	-	n/a
913 Locust (Talley Properties, LLC) - unreserved spaces	-	n/a	-	n/a	-	n/a	5	100
917 Locust (Roberts Brothers Prop.) - reserved spaces	-	n/a	-	n/a	-	n/a	26	125
917 Locust (Roberts Brothers Prop.) - unreserved spaces	-	n/a	-	n/a	-	n/a	15	100
Syndicate Apartments - unreserved spaces	28	105	28	100	28	100	28	100
Syndicate Retail - unreserved spaces	42	105	42	100	42	100	42	100
SLT Tower Partners, LLC	100	130						
	408		308		308		354	
Seventh Street Garage Leases (750-space parking garage)								
600 Tower, LLC - reserved spaces	89	\$160	89	\$160	85	\$155	85	\$155
600 Tower, LLC - unreserved spaces	346	135	293	130	230	130	170	130
US Bank, NA - unreserved spaces	400	135	400	125	400	125	400	125
	865		782		715		655	
	1,781		1,525		1,468		1,436	

St. Louis Convention Center Hotel Garage began operations August 2002.

Ninth Street Garage began operations February 2007.

Seventh Street Garage began operations February 2011.

* Lease is written based on a minimum amount to be paid per fiscal year.

New license agreement was signed May 2013 and is based on minimum monthly payments.

Monthly rate and # of leased spaces are estimated as of June 30 of fiscal year.

2010		2009		2008		2007		2006		2005	
# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate	# of Leased Spaces	Monthly Rate
375	\$123	375	\$123	375	\$123	375	\$123	375	\$123	375	\$123
20	105	20	105	20	105	20	105	20	105	20	105
75	125	75	125	75	125	75	125	75	125		n/a
-	n/a	-	n/a	-	n/a	-	n/a	-	n/a		n/a
470		470		470		470		470		395	
13	\$105	13	\$105	13	\$105	13	\$105				
20	90	20	90	20	90	20	90				
30	100	30	90	30	90	30	90				
100	100	100	90	100	90	100	90				
75	125	75	125	75	125	75	125				
20	100	20	90	20	90	20	90				
5	100	5	90	5	90	5	90				
26	125	26	125	26	125	26	125				
15	100	15	90	15	90	15	90				
28	100	20	90	20	90	20	90				
42	100	10	90	10	90	10	90				
374		334		334		334					
844		804		804		804		470		395	

Missouri Development Finance Board

Parking Garage Revenues - Principal Parking Garage Lessees

Fiscal Years 2014 And 2005

	2014	% of Actual Parking Revenue	2005	% of Actual Parking Revenue
St. Louis Convention Center Hotel Garage				
Renaissance Grand Hotel	\$ 554,282	11%	\$ 554,282	31%
Merchandise Mart	25,000	1%	25,000	1%
STL Loft Partners, LLC	101,400	2%	-	0%
Lennox Suites, LLC	100,000	2%		
	780,682	16%	579,282	32%
Ninth Street Garage				
Court of Appeals	41,700	1%	-	0%
Webster University	37,800	1%	-	0%
Frisco Associates	126,000	3%	-	0%
Paul Brown Developer, LP	117,000	2%	-	0%
Syndicate Apartments	35,280	1%	-	0%
Syndicate Retail	52,920	1%	-	0%
STL Tower Partners LLC	410,700	8%	-	0%
Seventh Street Garage				
600 Tower	733,200	15%	-	0%
US Bank, NA	624,000	13%	-	0%
	1,357,200	27%	-	0%
Total Base	\$2,548,582	51%	\$ 579,282	32%
Actual Parking Garage Revenue	\$4,973,252		\$1,815,481	

Missouri Development Finance Board

Pledged Revenue Coverage by Net Revenue Available

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Total operating and non-operating revenues	\$ 9,519,607	\$10,588,152	\$ 7,335,927	\$ 7,635,807	\$ 8,475,854
Total operating and non-operating expenses	6,000,821	11,028,898	6,953,371	11,438,925	5,973,410
Net revenue available	3,518,786	(440,746)	382,556	(3,803,118)	2,502,444
Debt service					
Principal	1,880,000	172,000	15,014,000	255,000	245,000
Interest ¹	424,743	429,760	739,314	595,190	157,074
Bond expenses	288,052	320,250	487,784	410,295	548,741
Total debt service	\$ 2,592,795	\$ 922,010	\$16,241,098	\$ 1,260,485	\$950,815
Debt service coverage	1.36	(0.48)	0.02	(3.02)	2.63

	2009	2008	2007	2006	2005
Total operating and non-operating revenues	\$13,982,808	\$10,771,715	\$ 9,318,054	\$ 6,000,674	\$ 4,528,032
Total operating and non-operating expenses	8,257,807	17,618,107	4,838,504	6,738,612	12,980,075
Net revenue available	5,725,001	(6,846,392)	4,479,550	(737,938)	(8,452,043)
Debt service					
Principal	1,000,000	-	-	2,750,000	-
Interest ¹	517,121	1,075,534	711,903	551,858	350,978
Bond expenses	360,971	367,358	224,254	181,965	199,968
Total debt service	\$ 1,878,092	\$ 1,442,892	\$ 936,157	\$ 3,483,823	\$ 550,946
Debt service coverage	3.05	(4.74)	4.79	(0.21)	(15.34)

¹ Interest does not include capitalized interest paid from bond proceeds.

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Pledged Revenue Coverage by Parking Capacity

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Garages					
Total number of operational garages ¹	3	3	3	3	2
Parking capacity per year ²	978,200	978,200	978,200	978,200	704,450
Total Debt Outstanding	\$52,124,934	\$54,004,934	\$54,176,934	\$69,190,934	\$69,445,934
Debt service					
Principal	\$ 1,880,000	\$ 172,000	\$15,014,000	\$255,000	\$245,000
Interest ³	424,743	429,760	739,314	595,190	157,074
Bond expense	288,052	320,250	487,784	410,295	548,741
Total debt service	\$ 2,592,795	\$ 922,010	\$16,241,098	\$ 1,260,485	\$ 950,815
Daily required revenue per space to cover annual debt service	2.65	0.94	16.60	1.29	1.35

	2009	2008	2007	2006	2005
Garages					
Total number of operational garages ¹	2	2	3	2	2
Parking capacity per year ²	704,450	704,450	887,315	504,065	504,065
Total Debt Outstanding	\$30,850,000	\$31,850,000	\$31,850,000	\$34,600,000	\$18,100,000
Debt service					
Principal	\$ 1,000,000	\$ -	\$ -	\$ 2,750,000	\$ -
Interest ³	517,121	1,075,534	711,903	551,858	350,978
Bond expense	360,971	367,358	224,254	181,965	199,968
Total debt service	\$ 1,878,092	\$ 1,442,892	\$ 936,157	\$ 3,483,823	\$ 550,946
Daily required revenue per space to cover annual debt service	2.67	2.05	1.06	6.91	1.09

¹ KCLG sold May 31, 2008.

² Calculated as total number of spaces x 365 days

³ Interest does not include capitalized interest paid from bond proceeds

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

Outstanding Debt by Type Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010
Bond debt					
Ninth Street Garage	\$ -	\$ -	\$ -	\$15,000,000	\$15,255,000
Seventh Street Garage	8,634,000	8,814,000	8,986,000	9,000,000	9,000,000
St. Louis Convention Center Hotel Garage	13,650,000	15,350,000	15,350,000	15,350,000	15,350,000
Total bond debt outstanding	22,284,000	24,164,000	24,336,000	39,350,000	39,605,000
Notes payable					
Seventh Street Garage	29,840,934	29,840,934	29,840,934	29,840,934	29,840,934
Total debt	\$52,124,934	\$54,004,934	\$54,176,934	\$69,190,934	\$69,445,934

	2009	2008	2007	2006	2005
Bond debt					
Ninth Street Garage	\$15,500,000	\$16,500,000	\$16,500,000	\$16,500,000	\$16,500,000
Seventh Street Garage	-	-	-	-	-
St. Louis Convention Center Hotel Garage	15,350,000	15,350,000	15,350,000	15,350,000	18,100,000
Total bond debt outstanding	30,850,000	31,850,000	31,850,000	31,850,000	34,600,000
Notes payable					
Seventh Street Garage	-	-	-	-	-
Total debt	\$30,850,000	\$31,850,000	\$31,850,000	\$31,850,000	\$34,600,000

Note: Fiscal years 2010-2011 amounts have been restated to include the SSGPPC component unit.

Note: Fiscal years 2010-2012 unrestricted and total amounts have been restated due to the implementation of GASB No. 65.

Missouri Development Finance Board

State of Missouri Demographic Statistics - Employment

(In Thousands Except Unemployment Rates Data)

Calendar Year	Civilian Labor Force	Total Employed	Total Unemployed	Missouri Unemployment Rate	U.S. Unemployment Rate
2013	3,066	2,850	216	7.1	7.7
2012	2,993	2,785	207	6.9	8.1
2011	3,022	2,767	255	8.4	8.9
2010	3,039	2,756	283	9.3	9.6
2009	3,068	2,779	289	9.4	9.3
2008	3,050	2,870	180	5.9	5.8
2007	3,049	2,895	154	5.0	4.6
2006	3,036	2,889	147	4.8	4.6
2005	3,011	2,850	162	5.4	5.1
2004	2,988	2,816	172	5.8	5.5
2003	2,979	2,814	166	5.6	6.0
2002	2,986	2,830	156	5.2	5.8
2001	3,003	2,868	135	4.5	4.7
2000	2,973	5,875	98	3.3	4.0
1999	2,911	2,820	91	3.1	4.2
1998	2,911	2,795	116	4.0	4.5
1997	2,904	2,780	124	4.3	4.9
1996	2,869	2,735	135	4.7	5.4
1995	2,822	2,690	132	4.7	5.6
1994	2,759	2,622	136	4.9	6.1

Data Source: Missouri Economic Research and Information Center, U.S. Department of Labor — Bureau of Labor Statistics.

Missouri Development Finance Board

State of Missouri Demographic Statistics - Personal Income

Calendar Year	Missouri Total Personal Income (In Millions)	U.S. Total Personal Income (In Millions)	Missouri Per Capita Personal Income	U.S. Per Capita Personal Income	Missouri % Change From Prior Year	U.S. % Change From Prior Year
2013	\$241,145	\$14,081,242	\$39,897	\$44,543	1.8	2.6
2012	235,154	13,401,869	39,049	42,693	2.8	2.7
2011	228,218	12,949,905	37,969	41,560	4.3	4.4
2010	218,278	12,308,496	36,406	39,791	1.6	3.0
2009	213,630	11,852,715	35,837	38,637	-5.0	-5.6
2008	223,554	12,451,660	37,738	40,947	6.2	3.6
2007	209,131	11,900,562	35,521	39,506	4.4	4.7
2006	198,727	11,256,516	34,013	37,725	5.5	6.4
2005	186,753	10,476,669	32,253	35,452	2.7	4.6
2004	180,547	9,928,790	31,412	33,909	4.0	5.0
2003	172,529	9,369,072	30,218	32,295	3.2	2.6
2002	166,195	9,054,702	29,286	31,481	2.3	1.0
2001	161,545	8,878,830	28,637	31,157	2.7	2.8
2000	156,359	8,554,866	27,885	30,319	6.4	7.0
1999	145,826	7,906,131	26,218	28,333	3.1	3.9
1998	140,360	7,519,327	25,419	27,258	5.5	6.3
1997	132,117	6,994,388	24,104	25,654	5.3	5.0
1996	124,385	6,584,404	22,901	24,442	4.9	5.1
1995	117,418	6,194,245	21,832	23,262	3.8	4.3
1994	112,001	5,866,796	21,035	22,297	5.4	4.3

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of Economic Analysis

Missouri Development Finance Board

State of Missouri Demographic Statistics - Population Statistics

Census Year	Population (In Thousands)	% Change	% of Total	
			Urban	Rural
2010	5,989	7.0	70.44	29.56
2000	5,595	9.3	67.8	32.2
1990	5,117	4.1	68.7	31.3
1980	4,917	5.1	68.1	31.9
1970	4,677	8.3	70.1	29.9
1960	4,320	9.2	66.6	33.4
1950	3,955	4.5	61.5	38.5
1940	3,785	4.3	51.8	48.2
1930	3,629	6.6	51.2	48.8
1920	3,404	3.4	46.6	53.4
1910	3,293	6.0	42.3	57.7

Data Sources: Missouri Economic Research and Information Center, U.S. Department of Commerce — Bureau of the Census

Missouri Development Finance Board

State of Missouri Economic Data - Privately Owned Housing Units Authorized by Building Permits

Calendar Year	Number of Units	Valuation (In Thousands)
2013	13,708	\$2,234,221
2012	12,297	1,878,836
2011	9,242	1,425,673
2010	9,699	1,430,224
2009	10,056	1,433,735
2008	13,273	1,889,739
2007	21,525	3,128,424
2006	29,172	4,086,728
2005	33,114	4,702,016
2004	32,791	4,286,161
2003	29,309	3,596,524
2002	28,255	3,186,632
2001	24,739	2,750,047
2000	24,321	2,569,405
1999	26,840	2,739,418
1998	25,657	2,424,875
1997	25,156	2,265,005
1996	26,298	2,275,667
1995	24,282	2,032,503
1994	26,374	2,149,313

Data Source: Missouri Economic Research and Information Center, U.S. Department of Commerce - Census Bureau

Missouri Development Finance Board

State of Missouri

Major Employers 2013 and 2004

2013		
Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	60,000+	2.3%
2. Wal-Mart Associates, Inc.	30,000+	1.1%
3. University of Missouri	20,000-25,000	0.75%-0.94%
4. Washington University	15,000-20,000	0.56%-0.75%
5. U.S. Post Office	15,000-20,000	0.56%-0.75%
6. The Boeing Company	10,000-15,000	0.38%-0.56%
7. Barnes-Jewish Hospital	7,500-10,000	0.28%-0.38%
8. Schnuck Markets, Inc.	7,500-10,000	0.28%-0.38%
9. Department of Veterans Affairs	7,500-10,000	0.28%-0.38%
10. Department of Defense	7,500-10,000	0.28%-0.38%
	180,000-210,000	6.72%-7.85%

2004		
Employer	Number of Employees	Percent of Total State Employment
1. State of Missouri	65,000+	2.4%
2. Wal-Mart Associates, Inc.	30,000+	1.1%
3. University of Missouri	20,000-25,000	0.75%-0.93%
4. U.S. Post Office	15,000-20,000	0.56%-0.75%
5. The Boeing Company	10,000-15,000	0.38%-0.56%
6. Washington University	10,000-15,000	0.38%-0.56%
7. Schnuck Markets, Inc.	7,500-10,000	0.28%-0.38%
8. Barnes-Jewish Hospital	7,500-10,000	0.28%-0.38%
9. Department of Defense	7,500-10,000	0.28%-0.38%
10. City of St. Louis	7,500-10,000	0.28%-0.38%
	180,000-210,000	6.74%-7.87%

Data Source: The quarterly Census of Employment and Wages. A cooperative program between the U.S. Department of Labor - Bureau of Labor Statistics and the Missouri Department of Economic Development/MERIC

Missouri Development Finance Board

Schedule of Employee Statistics

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Program Staff										
Full-time	4	4	4	5	5	5	5	4	4	3.5
Accounting Staff										
Full-time	2	3	3	3	3	2	2	2	2	2.5
Support Staff										
Full-Time	2	2	2	2	2	2	2	2	2	2
Total Staff	8	9	9	10	10	9	9	8	8	8

Missouri Development Finance Board

Schedule of Projects Approved

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Loan Guarantees	-	-	-	-	-	-	-	-	-	1
Bonds										
Private	-	1	1	4	2	3	7	5	1	2
Public	4	13	6	2	3	9	6	8	5	13
MIDOC	4	2	1	1	1	2	1	3	2	1
Tax Credits	9	3	6	2	3	9	12	6	6	6
BUILD	4	7	4	6	6	4	3	1	3	4
MODESA	-	1	-	-	-	-	-	-	-	-
DREAM	-	-	-	-	5	10	10	10	-	-
Small Business Loans	2	-	13	6	48	-	-	-	-	-
	23	27	31	21	68	37	39	33	17	27

Missouri Development Finance Board

Schedule of Capital Assets

Fiscal Years 2005 to 2014

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Office Buildings	-	-	-	-	-	1	1	1	1	1
Garages ¹	3	3	3	3	2	2	2	3	2	2
Parking capacity	2,680	2,680	2,680	2,680	1,930	1,930	1,930	2,431	1,381	1,381

¹ Kansas City Library Garage sold May 31, 2008. Fiscal year 2008 had 3 garages for 11 months out of the year.

